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IN THE

Supreme Court of the United States

OCTOBER TERM, 1974

No.

VINCENT J. FRILETTE, ET AL., *Petitioners*

v.

CHARLES N. KIMBERLIN, JR., ET AL., *Respondents*

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE THIRD CIRCUIT

Petitioners respectfully pray that a writ of certiorari issue to review the judgment and opinion of the United States Court of Appeals for the Third Circuit (sitting en banc) entered on December 16, 1974 in Appeal No. 73-1622 entitled *Frilette, et al.* v. *Kimberlin, et al.*

OPINIONS BELOW

The opinion of the United States Court of Appeals, reprinted in Appendix B, is reported at 184 U.S.P.Q. 266 (3d Cir. 1974); that court's unreported amendatory orders are reprinted in Appendix C. The decision of the District Court, reprinted in Appendix D, is reported at 358 F.Supp. 493 (D.Del. 1973). The unreported opinion of the Patent Office Board of Patent Interferences is reprinted in Appendix E.

JURISDICTION

The judgment of the United States Court of Appeals for the Third Circuit (Appendix B) was entered on December 16, 1974,[1] and this petition is being filed within 90 days thereof. The jurisdiction of this Court is invoked under 28 U.S.C. § 1254(1).

QUESTIONS PRESENTED

35 U.S.C. § 24 provides, in pertinent part:

> The provisions of the Federal Rules of Civil Procedure relating to the attendance of witnesses and to the production of documents and things shall apply to contested cases in the Patent Office.

The courts of appeals in five circuits and district courts in two others—in fact the courts in every jurisdiction that considered the issue prior to the decision below—have held that the "plain meaning" of the cited statute is that in contested Patent Office proceedings (such as interferences between two persons seeking a patent for the same invention) the parties may seek the aid of the courts to obtain relevant evidence through the discovery procedures of the Federal Rules. In the decision below, the Third Circuit overruled its own prior holding to that effect. It said it felt compelled to "bite the bullet"; it was now convinced that Congress had not meant to impose discovery burdens on the courts. It found its prior interpretation had created an administrative mess. It now read the words "the provisions of the Federal Rules . . ." to mean only certain enumerated subparagraphs of Rule 45.

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[1] The Court of Appeals' opinion was amended by orders dated January 27, 1975 and February 19, 1975.

Petitioners believe the case presents these important questions, never before addressed by this Court:

1. Does 35 U.S.C. § 24 mean what it literally appears to mean and what every court of appeals prior to the Third Circuit in this case has held it to mean, namely, that the courts are statutorily required to assist parties in contested Patent Office cases, such as interferences, to obtain the full range of discovery contemplated by the Federal Rules of Civil Procedure?

2. Can this Court condone an interpretation of 35 U.S.C. § 24 the effect of which is:

(a) to place the competing parties in an interference in wholly different positions concerning their right to conduct discovery depending upon the fortuity of their location (petitioners, in the Second Circuit, are now subject *to* discovery, but are barred from conducting discovery against respondents in the Third Circuit); and

(b) to deny both to the parties contesting their entitlement to a patent and to the Patent Office tribunal hearing the matter the fullest access to the relevant facts on which all decisions affecting the award of patent monopolies should be made?

3. Can a court of appeals overrule its own and, apparently, the universal construction of a statute on the grounds that such construction (a) places burdens on the courts that Congress has not seen fit to remove despite repeated considerations of the problem, and (b) is no longer necessary in light of a type of discovery procedure the Patent Office itself adopted in 1971?

4. As a matter of federal judicial administration, is it appropriate for a court of appeals to over-

rule its own statutory construction despite inaction by Congress to change that interpretation and despite the fact that this Court has repeatedly declined to review the consistent decisions of that and other courts of appeals interpreting the statute in accordance with its plain meaning?

STATUTORY PROVISION INVOLVED

In pertinent part, the statute principally involved is 35 U.S.C. § 24:

> The clerk of any United States Court for the district wherein testimony is to be taken for use in any contested case in the Patent Office, shall, upon the application of any party thereto, issue a subpoena for any witness residing or being within such district, commanding him to appear and testify before an officer in such district authorized to take depositions and affidavits, at the time and place stated in the subpoena. *The provisions of the Federal Rules of Civil Procedure relating to the attendance of witnesses and to the production of documents and things shall apply to contested cases in the Patent Office.* [Emphasis added. See Appendix A for complete citation.]

STATEMENT OF THE CASE

This case springs from a Patent Office interference [2] declared under the provisions of 35 U.S.C. § 135 which

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[2] A patent interference is an administrative proceeding in the Patent Office to determine which of two or more applicants is entitled to a patent as the "first inventor" of subject matter common to the applications. This contest of priority may involve co-pending applications or applications and an already issued patent, as is the case here. The applicant who was the first to file his application in the Patent Office is the "senior party" and is granted a prima facie date of invention as of the date of his application. The party whose application was later filed is the "junior party" and has the

still is pending in the Patent Office between petitioners' application for a patent assigned to Mobil Oil Corporation, and a reissue patent of respondents owned by a subsidiary of Exxon Corporation. The contest for priority involves a process of vast commercial significance in which certain crystalline metallic alumino-silicate catalysts are used to upgrade petroleum, for example by cracking to make gasoline. Cracking processes such as those that are the subject of the underlying inter-

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burden of proving a date of actual invention earlier than that of the senior party. Thereafter, the senior party may prove a date of actual invention earlier than the date of actual invention by the junior party. At the time the interference is declared, the Patent Examiner informs the parties of the "count" of the interference, which defines the subject matter of the conflicting claims of the parties. After the interference is declared, each party files a Preliminary Statement, in which he sets forth the facts and dates on which he intends to rely during the contest for priority. 37 C.F.R. §§ 1.215-22. A party will not be awarded any date earlier than the invention date alleged in his Preliminary Statement. 37 C.F.R. § 1.223. After Preliminary Statements have been filed, the interference enters the "motion period" during which the parties may file various motions under the provisions of 37 C.F.R. § 1.231, such as to dissolve the interference or to amend the count. After decisions on the motions, the Patent Office assigns times within which each party must take testimony in support of its case. 35 C.F.R. § 1.251. A type of "discovery" is also authorized under 37 C.F.R. § 1.287 during a "period for preparation for testimony," preceding the time during which the junior party takes testimony. After the junior party has presented its testimony, referred to as its "case-in-chief," the senior party may then present its case-in-chief to prove an actual date of invention and for rebuttal. Lastly, the junior party is provided a period for rebuttal testimony. Testimony is presented by deposition on oral examination, by affidavit or by stipulation. The transcripts of the depositions and exhibits are forwarded to the Board of Patent Interferences which then receives briefs and conducts a "hearing," consisting solely of argument by counsel; no witnesses are heard "live." The matters considered in determining priority by the Board of Patent Interferences are set forth at 37 C.F.R. § 1.258.

ference have substantially replaced former cracking processes and have brought about savings to the petroleum refining industry estimated to be billions of dollars.[3]

As is evident from the questions presented, this case concerns the proper scope of discovery in connection with Patent Office interferences. Interferences constitute a significant part of the work of the Patent Office and probably involve a high proportion of the patents most important to the nation's economy.[4] Congress would seem to have expressed itself in favor of a policy fostering the fullest disclosure of the facts on which interference decisions on priority would be based. And so the courts have consistently ruled.

In this case, petitioners initially sought discovery in the Patent Office by filing during their period for preparation for testimony a motion under 37 C.F.R. § 1.287(c). Concerned about the limited scope of that rule of the Patent Office, petitioners concurrently moved in the district court, under 35 U.S.C. § 24 and

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[3] *See Mobil Oil Corp.* v. *W. R. Grace & Co.*, 367 F. Supp. 207, 218, 224 (D. Conn. 1973).

[4] Without having undertaken a statistical analysis to support this assumption, petitioners believe it is probably true. The fact that an interference is declared reflects that at least two parties were working on the same problem and claim to have solved it in the same way. This suggests a breadth of recognition of a problem requiring solution. Further, interference proceedings tend to be lengthy, complex and, accordingly, expensive. They are generally not pursued without the economic incentive that the emerging patents are likely to be of genuine significance. The last available annual report of the Patent Commissioner indicates that during the fiscal year ended June 30, 1973 there were 631 interferences then pending before the board and that during the same year 383 new cases were declared. COMMISSIONER OF PATENTS ANNUAL REPORT FISCAL YEAR 1973, Table 12, p. 13.

the Federal Rules of Civil Procedure, for an order requiring discovery relating, *inter alia,* to certain inconsistent statements made by respondents in their prosecution of their original patent and their later-obtained reissue of that patent. The Board of Interferences denied the motion made under the Patent Office rule on the grounds that petitioners were premature in their requests and had not shown discovery was, in the words of the rule, "in the interests of justice." The board's opinion, mailed January 17, 1973, is reprinted in Appendix E.

The district court held a hearing on petitioners' motion but eventually denied it, stating that the law as previously enunciated broadly permitting discovery pursuant to 35 U.S.C. § 24 would no longer be followed because:

First, the 1970 amendments to the Federal Rules of Civil Procedure eliminated the "good cause" requirement as a prerequisite to the production of documents under Rule 34.

The court said:

> Since the good cause requirement was apparently a factor in the federal courts' willingness to interpret § 24 broadly, this Court is unable to conclude that § 24 would have received a similar construction absent this safeguard. In such circumstances, it would not be unreasonable to continue to impose a good cause requirement under 35 U.S.C. § 24.
> *Frilette* v. *Kimberlin,* 358 F.Supp. 493, 495-96 (D.Del. 1973); Appendix D, p. 4d.

The district court found that petitioners had not made a showing of "good cause" under the pre-1970 standard.

Second, as the Patent Office adopted Rule 287 in June 1971, the district court felt there was no further need for broad court-assisted discovery. (The district court also agreed with the Patent Office Board that under Rule 287(a) and (c) petitioners' attempted discovery directed to respondents' case-in-chief was "premature." It has been petitioners' constant position that their discovery efforts were not concerned with respondents' case-in-chief and were, thus, not untimely.)

In affirming the district court's decision, the majority of the Court of Appeals for the Third Circuit did not adopt the district court's reasons for denial of discovery as such. The majority claimed its decision was based purely upon a reinterpretation of 35 U.S.C. § 24 in view of its historical background. *See* footnote 14a of the majority opinion, Appendix B, p. 11b. However, as the dissent of Judge Adams points out, the court's opinion is almost exclusively devoted to a discussion of the allegedly undesirable results that have flowed from the court's earlier reading of the statute; and it was these perceptions, rather than new light on the old law, that compelled the result now reached.

Petitioners submit that neither the district court nor the court of appeals has acted properly and that this matter, never before considered by this Court, should now be reviewed.

REASONS FOR GRANTING THE WRIT

I. This Is a Case of First Impression and Wide Application.

The section of the Patent Act in question has never before been construed by this Court. The scope of discovery in contested cases before the Patent Office in particular and in proceedings before the executive

and administrative agencies more generally deserves this Court's attention.

Patent cases comprise a small fraction of the work of this Court. And the decisions of the Court in the field in the last thirty years have related primarily to the standards of patentability and to the relationships between the patent laws and their constitutional foundation or between the patent and antitrust laws. Not since 1945 has the Court addressed the procedures whereby patents are obtained. Then, it forcefully noted that

> [p]ublic interest demands that all facts relevant to such matters be submitted . . . to the Patent Office, which can then pass upon the sufficiency of the evidence. Only in this way can that agency act to safeguard the public in the first instance against fraudulent patent monopolies.
>
> *Precision Instrument Mfg. Co.* v. *Automotive Maintenance Mach. Co.*, 324 U.S. 806, 818 (1945).

This case concerns the procedure whereby the Patent Office can be presented with "all the facts" that the public interest demands it have before it. How those procedures are to operate in the context of interferences has never before been considered by this Court.

The question is presented in the light of 35 U.S.C. § 24, reading in pertinent part:

> The provisions of the Federal Rules of Civil Procedure relating to the attendance of witnesses and to the production of documents and things shall apply to contested cases in the Patent Office.

This provision appeared in the cited form for the first time in the Patent Act of 1952.[5] Its legislative history points to what the courts have consistently con-

[5] Presently Title 35 U.S.C.

sidered to be its plain meaning:[6] That in contested cases before the Patent Office (and these can include not only patent interferences as here involved but also trademark oppositions), the broad discovery procedures of the Federal Rules are available to the parties

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[6] In its first decision construing this provision, the Third Circuit said:

> This statute manifests a clear congressional intent to make available to parties to patent interferences the broad discovery provisions of the Federal Rules of Civil Procedure . . . . If Congress had desired to limit discovery to the type available under Rule 45(b), it simply would have pointed to that specific rule instead of referring generally to the Federal Rules of Civil Procedure.

In re Natta, 388 F.2d 215, 217 (3d Cir. 1968).

H.R. 9133, 81st Cong., 2d Sess. (1950), predecessor of the bill that became the Patent Act of 1952, included a provision that read in pertinent part:

> The provision of the Federal Rules of Civil Procedure relating to the issuance of subpoenas duces tecum shall apply to contested cases in the Patent Office.

This bill was not enacted. When reintroduced as H.R. 7794 in the 82d Congress, 2d Session (1952), the version that became the Patent Act of 1952, this provision was rewritten to read:

> The provisions of the Federal Rules of Civil Procedure relating to the attendance of witnesses and to the production of documents and things shall apply to contested cases in the Patent Office.

Although this change in language was not specifically discussed in reports accompanying the legislation, the House Report mentions that H.R. 9133 received careful and widespread consideration and comment and was revised to reflect the comments received. H.R. Rep. 1923, 82d Cong., 2d Sess. at 3 (1952). It would seem apparent that the change was a conscious reflection of the view that what is now 35 U.S.C. § 24 was intended to do more than authorize the issuance of subpoenas. Indeed, such a limited reading of the statute makes no sense, first, because it would be redundant in the light of the balance of the paragraph of which the cited sentence is a part and, second, because it ignores the reference to the plural Federal Rules rather than the specific Rule 45 to which the majority below would now confine the law.

in their quest for "all facts relevant to such matters." The Commissioner of Patents has, in fact, promulgated rules in trademark cases that incorporate the pre-trial discovery Federal Rules.[7] For reasons unknown, his attitude with respect to patent cases has been quite different. No discovery procedures were adopted and, apparently, few efforts to apply 35 U.S.C. § 24 to obtain discovery were attempted by parties to interferences prior to the series of cases that arose in a patent interference between an Italian and three large U.S. chemical companies in the late 1960's. Then, decisions by the Courts of Appeals for the Third, Seventh and Tenth Circuits (the locales of the three U.S. companies) enabled the Italian party to obtain the discovery that 35 U.S.C. § 24 appeared to contemplate, and ultimately to prevail in the Patent Office interference.[8]

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[7] 37 C.F.R. § 2.120 states that:

> The provisions of the Federal Rules of Civil Procedure relating to discovery shall apply in inter partes trademark cases except as otherwise provided in this section . . . .

Section 2.120 does not specifically exclude any of the Federal Rules, but is devoted primarily to the procedures to be followed in using the results of the discovery authorized and the time within which evidence so obtained must be filed with the Trademark Trial and Appeal Board. Section 2.120(e) also authorizes the board to issue orders "compelling discovery" which, if unheeded, permit the board to take "appropriate action" including striking the pleadings of the defaulting party, dismissing the proceedings or entering a judgment as by default. Interestingly, section 2.120(a), concerning the procedures to be followed for obtaining "discovery depositions," contains the express reference "See 35 U.S. § 24," probably meaning that the regulation is to be read in conjunction with the statutory provision that might be used to achieve similar results.

[8] The decision awarding priority to the Italian assignee of Natta is not yet reported. The series of decisions that permitted Natta's assignee to obtain discovery are: *Natta* v. *Zletz*, 379 F.2d 615 (7th

The Third Circuit's decision in *In re Natta,*[9] surveyed the language and purpose of 35 U.S.C. § 24 and concluded that it made sense only if it were interpreted to allow contestants in interferences to depose opposing witnesses and to demand documentary production in the quest for the facts. The same court in this case noted that its prior decision had produced some procedural awkwardness: discovery actions ancillary to the Patent Office proceeding could be pending in multiple courts at the same time; the courts were unsure of the extent to which evidence sought was relevant to the proceeding; orders compelling or denying discovery apparently were sufficiently final for purposes of appealability, permitting delay of the Patent Office proceeding while such litigation was pending; the courts did not have the Patent Office before them to guide their decisions; nor could they compel that agency to stay its proceedings until discovery contests were resolved. Nevertheless, no other court denied it had the obligation to aid the parties in directing what is commonplace in federal litigation: wide-ranging and thoroughgoing discovery.

Of course this consistent line of decisions did not uniformly compel the production of every document sought by a party initiating discovery. On the contrary, the courts were fully able to and did fashion appropriate decrees recognizing traditional objections

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Cir. 1967); 405 F.2d 99 (7th Cir. 1968), *cert. denied,* 395 U.S. 909 (1969); 418 F.2d 633 (7th Cir. 1969); *In re Natta,* 388 F.2d 215 (3d Cir. 1968); 410 F.2d 187 (3d Cir.), *cert. denied,* 396 U.S. 836 (1969); *Montecatini Edison, S.p.A.* v. *E. I. duPont de Nemours & Co.,* 434 F.2d 70 (3d Cir. 1970); *Natta* v. *Hogan,* 392 F.2d 686 (10th Cir. 1968).

[9] 388 F.2d 215 (1968).

of relevancy, privilege and trade secrets to limit the scope, duration or availability of matters to be produced.[10] But at no time prior to the instant case did the courts doubt that Congress had directed them to aid the Patent Office in obtaining information the parties could demonstrate was itself relevant and could lead to the discovery of admissible evidence.

The Patent Office itself lacks the subpoena power. This may make resort to the courts for orders compelling production a necessity.[11] However, the courts have recognized that their role in this context is not materially different from the situation in which they pass upon the enforcement of subpoenas issued by an agency empowered to do so where the agency lacks the power to punish noncompliance. Nor is their role more awkward than when they aid discovery in proceedings pending in other courts.

Thus, this case has implications beyond the mere confines of interferences before the Patent Office, however significant those proceedings may be in their own right. It raises such questions as the extent to which the courts may narrowly construe a legislative directive

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[10] *See, e.g., Natta* v. *Zletz*, 405 F.2d 99 (7th Cir. 1968), *cert. denied*, 395 U.S. 909 (1969); *Barnes* v. *Duffy*, BNA, PTCJ No. 212, at A-3 (D.Mass. 1974) (a suit between the parties whose copending appeal was heard by the Third Circuit together with the instant case and decided after and in the light of the decision of the Third Circuit).

[11] However, as noted at p. 11, *supra*, The Trademark Trial and Appeal Board does issue orders "compelling discovery" and the new Rule 287(c) for patent interferences similarly authorizes the Board of Patent Interferences to "order discovery." The board may draw adverse inferences or decide the case on the merits adversely to the party failing to comply, but may not otherwise punish refusals to comply.

to them to aid administrative and executive agencies in seeking facts in contested cases. It compels consideration of how such agencies should discharge their duties consistent with their mandates and current views of due process and equal protection.

Quite contrary to the views of the court below that concepts of discovery are unknown to administrative proceedings, they are, in fact, widely used, as is discussed in greater detail in Reason III, p. 20-22, *infra*. That discovery has become a part of administrative due process is only appropriate and consistent with the recent teachings of this Court stressing the need for fairness in all governmental adjudications. From *Goldberg* v. *Kelly*, 397 U.S. 254 (1970) (evidentiary hearing required prior to termination of state welfare benefits) to *Citizens to Preserve Overton Park, Inc.* v. *Volpe*, 401 U.S. 402 (1971) (decision of federal authorities authorizing highway construction must be based on a full record and a reasoned decision subject to judicial review); to *Wolff* v. *McDonnell*, 418 U.S. 539 (1974) (due process of notice and right to present evidence required in proceedings for discipline of prisoners in state penitentiaries) to *Goss* v. *Lopez*, 419 U.S. ——, 43 U.S.L.W. 4181 (1975) (similar rule for procedures to suspend public school students), the Court has indicated that such proceedings must conform to standards of fairness now common in federal litigation. It would be a regressive step, indeed, if this trend were blunted in the important area of Patent Office interferences by a decision returning those contests to the "bad old days" in which each side simply put forward its own best case while shielding from disclosure to its adversary or the judge any other evidence in its possession.

II. The Decision of the Court of Appeals Is an Anomaly.

The decision below is contrary to the prior consistent interpretation of the law by that court and by courts of appeals and district courts in six other circuits. It unfairly shields parties to patent interferences happenstantially resident in the Third Circuit from the obligations of complete disclosure to which all other parties in such cases are subject. In an age of expanding due process and open proceedings before administrative agencies it runs contrary to the current views of this Court and the Congress.

That conflicting decisions of the circuits co-exist has not recently been considered by this Court a sufficient reason for granting a writ of certiorari. Nevertheless, even recently the Court has on occasion considered this a sufficient reason to grant the writ and, in a particularly clear case—as this one might be viewed—has summarily reversed the court that was out of step. *See, e.g., United States* v. *Chandler,* 410 U.S. 257 (1973) (conflict between Ninth and Sixth Circuits on whether inter vivos gift of a savings bond divests co-owner of title for purposes of federal estate tax).

But there are added reasons why conflicting interpretations of 35 U.S.C. § 24 are particularly egregious: They place the multiple parties to a single proceeding under wholly different burdens of producing evidence and give them wholly different opportunities for conducting their search for the facts. Petitioners' assignee, whose principal office is in the Second Circuit, is, under the law of that circuit, compelled to produce its documents and make its witnesses available to respondents. Respondents' assignee, whose office is in the Third Circuit, is now to be shielded from such ob-

ligations. This makes no sense. It offends the cornerstone concept of "equal justice under law."

That this is no idle speculation is obvious from the decisions of the courts in the Third and First Circuits with respect to the efforts to conduct discovery into allegations of fraud by two other parties whose copending appeal was heard and decided with the instant case below. The party from Massachusetts was told by the Court of Appeals for the Third Circuit that its discovery could not be assisted by the courts. The party from the Third Circuit was, nevertheless, not prevented from seeking judicial aid in Massachusetts. While it is true that the District Court in Massachusetts denied the requested order compelling discovery, it did so not on the ground that it lacked the requisite statutory authority, but on a traditional ground applicable to all court-supervised discovery: It held that the party seeking the evidence had failed to make a sufficient showing that the interests of justice required the discovery sought. *Barnes* v. *Duffy,* BNA, PTCJ No. 212, at A-3 (D. Mass. 1974). Without conceding that the district court in that case applied an appropriate standard to deny the discovery sought, petitioners can nevertheless only echo the sentiment of the PTCJ "Comment" accompanying its report of the case:

> Judge Adams, who dissented from the Third Circuit's recent ruling in the Frilette case, will probably mutter "I told you so" when he sees this Massachusetts decision. Finding no need to overturn In re Natta, . . . Judge Adams also noted the possibility—in this case a reality—that parties to an interference might be subject to different discovery rules in different circuits.
>
> BNA, PTJC No. 212, at A-5 (Jan. 23, 1975).

In the instant case, petitioners noted that respondents made certain representations to the Patent Office to obtain their patent. Later, respondents sought and obtained a reissue of that patent based upon statements made under oath that were inconsistent with statements made during their original prosecution. The facts underlying these inconsistencies were one of the key matters as to which petitioners sought discovery. The Board should be required to permit a party making a prima facie showing of material inconsistency to find the facts on which the variance is based lest the Board be led into error and the public be burdened by an improperly obtained patent. The courts have heretofore recognized the validity of such reasoning.[12] The Third Circuit now stands alone in rejecting it. That rejection should not remain a blot on the law.

III. The Decision Below Departs From Proper Standards for Decision Making.

The court below began with erroneous assumptions about the legislation it was interpreting. It incorrectly characterized the existing and developing law of discovery in administrative proceedings. It failed to consider that the problems it sought to avoid are by no means unique to Patent Office interferences but exist —and are being successfully and routinely dealt with —both in much ordinary litigation in the federal courts

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[12] *Precision Instrument Mfg. Co.* v. *Automotive Maintenance Mach. Co.*, 324 U.S. 806, 818 (1945); or, as stated by the Court of Appeals for the Seventh Circuit setting aside a restrictive discovery order:

> We now set aside this order as unduly restrictive and not in accord with the broad type of discovery and duty of full disclosure contemplated by the patent laws, including 35 U.S.C. § 24. [Citations omitted.] The maximum amount of evidence should be available to the Patent Office for its sifting of the interference issues. *Natta* v. *Zletz*, 405 F.2d 99, 100 (7th Cir. 1968), *cert. denied*, 395 U.S. 909 (1969).

and in other areas of the law in which agencies and courts share responsibilities.

The Third Circuit's opinion is fatally flawed. First, it was materially influenced by what it perceived to be a unique procedural situation created by its earlier decision in *In re Natta.* It states that

> . . . almost every order granting or denying discovery, no matter how routine in nature, became appealable. The appellate bench thus was called upon to review, in this isloated field, discovery matters which would have been interlocutory in other fields of litigation where they would probably never receive attention in an appellate brief. [Footnotes omitted.] Appendix B, at 7b-8b.

The court erred fundamentally in this analysis. In fact, the status of appeals from the decisions of district courts in proceedings ancillary to Patent Office interferences is substantially identical to that of appeals from decisions of the district courts in other ancillary proceedings.

Rules 45 and 37, FED. R. CIV. P., empower a district court other than the court before which a case is actually pending to assume ancillary jurisdiction for the purposes of aiding in discovery and securing the attendance of witnesses needed in the court of primary jurisdiction. Acting as auxiliaries for one another, district courts everywhere address and dispose of a host of discovery issues relating to cases which are not before them on the merits. *See, e.g., In re Surety Ass'n of America,* 388 F.2d 412 (2d Cir. 1967) (district court in New York acting as auxiliary to primary court in California could, in ruling on a motion to compel production of documents, exclude those documents which the auxiliary court considered to be of doubtful rele-

vance); *Metal Foil Prod. Mfg. Co.* v. *Reynolds Metals Co.*, 55 F.R.D. 491 (E.D. Va. 1972) (auxiliary court granted motion to compel answers at a deposition and, while refusing to rule on relevance, ordered that the questions be answered in a way protecting the secrecy of confidential business data); 8 WRIGHT & MILLER, FEDERAL PRACTICE AND PROCEDURES § 2287 (1970). The idea that requests for aiding discovery would impose unique burdens on the courts is simply without foundation.

Decisions of the district courts in such ancillary proceedings are reviewed by the court of appeals for the circuit in which the ancillary district court is situated. 28 U.S.C. § 1294. Professor Moore has described the prevailing rule as follows:

> Orders refusing to compel testimony or the production of documents are usually routine, nonappealable interlocutory orders. But there is an exception. If such an order is entered in a supplemental proceeding brought in one district to obtain evidence for use in a main action pending in another, it is regarded as sufficiently final to support appealability. The justification is that:
>
> > [W]here, as here, an order denying discovery is issued in a jurisdiction beyond that of the main proceeding, the party seeking discovery would have no effective remedy; even if the appellate court in the jurisdiction in which discovery is sought awaited a final decision in the main proceeding before acting at all it would be necessary to return to the ancillary appellate court to argue the discovery issue. And, if upon appeal, the party were successful in reversing the lower court's order and thus obtained discovery, he would be required to go back to the court where the main case

> had already been tried, and there with the discovered evidence now admissible on the merits, move to retry the case. The impracticality of this cumbersome procedure compels us to grant immediate appellate review of an order which, in another context, we might properly hold to have been an interlocutory order.
>
> *Republic Gear Co.* v. *Borg-Warner Corp.*, 381 F.2d 551, 554 (2d Cir. 1967).

9 MOORE'S FEDERAL PRACTICE ¶ 110.13[2] at 157 (2d ed. 1973).

Moore goes on to discuss the appealability of orders *granting* discovery in jurisdictions foreign to the main action, pointing out that the same considerations of ultimate judicial economy and orderly procedure apply as in cases refusing such relief. Quite logically Moore then adds that appellate review also is available with respect to orders issued under "the several statutory provisions authorizing various agencies to seek enforcement of subpoenas in the district courts," citing cases holding appealable orders directing compliance with subpoenas of the IRS, NLRB, FTC, ICC and EEOC, in addition to a number of decisions granting relief under 35 U.S.C. § 24, the statute at issue here. 9 MOORE'S FEDERAL PRACTICE ¶ 110.13[2] at 158 & nn. 20-28 (2d ed. 1973). The decision below is wholly out of step with this impressive array of precedent and with modern thought on the subject of ancillary discovery procedures.

Second, the court below erred in suggesting that discovery is not normally a part of administrative proceedings and cited Davis' leading treatise to support that view. However, the court failed to mention that

Davis specifically disapproves of that view, as he goes on to say in the last line of the same paragraph cited by the majority in their opinion below:

> Probably no sound reason can be given for failure to extend to administrative adjudications the discovery procedures worked out for judicial proceedings.
>
> 1 DAVIS, ADMINISTRATIVE LAW TREATISE § 8.15 at 589 (1958).

Further, the 1970 Supplement to the Davis treatise applauds the holding in *Shively* v. *Stewart,* 65 Cal. 2d 475, 421 P.2d 65 (1966), in which the California Supreme Court held it could order an agency to provide prehearing discovery even in the absence of statutory authority, stating that "federal courts might well follow" this precedent. DAVIS, ADMINISTRATIVE LAW TREATISE § 8.15 at 391 (Supp. 1970).

Several administrative agencies, including the FCC, the ICC, the CAB, the AEC and the FMC, have been empowered by statute to promulgate and have adopted pre-trial discovery procedures for contested cases between private parties seeking licenses or other authority—cases that can be analogized to Patent Office interferences.[13] Therefore, the observation of the Third Circuit that

> [t]hough there has been much criticism directed toward the absence of these procedures in administrative matters, little has been done to cure it except in the Patent Office,[14]

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[13] *See e.g.,* 47 U.S.C. § 409; 47 CFR § 1.311 et. seq. (FCC); 49 U.S.C. § 12; 49 CFR §§ 1100.56, 57 (ICC); 49 U.S.C. § 1484; 14 CFR §§ 302.19, 20 (CAB); 42 U.S.C. §§ 2201, 2281; 10 CFR §§ 2.720, 740 (AEC); 46 U.S.C. § 826; 46 CFR § 201.109 et seq. (FMC).

[14] Appendix B, at 4b-5b.

is a complete misstatement of the current state of the facts.[15]

Third, the court erred in assuming that the relationship between the courts and agency under 35 U.S.C. § 24 must create undesirable, if not insuperable, friction. However, it is not uncommon for a federal trial court and a federal administrative agency to share responsibility for a single case. The doctrine of primary jurisdiction was created to allocate the decision-making tasks in such situations.

Thus, in some cases trial court proceedings may be deferred pending the outcome of related administrative agency proceedings. *Ricci* v. *Chicago Mercantile Exchange,* 409 U.S. 289 (1973) (affirming stay of district court antitrust action pending outcome of adjudication by Commodity Exchange Commission concerning lawfulness of challenged conduct under Commodity Exchange Act); *United States* v. *Western Pac. R.R.,* 352 U.S. 59 (1956) (reversing Court of Claims which had refused to refer to Interstate Commerce Commission questions regarding the applicability and reasonableness of certain rail shipment rates). In other cases it is proper for the agency proceeding to be deferred to await the outcome of litigation in the courts. *California*

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[15] In the one situation in which a court held that such an agency lacked the power to adopt discovery procedures, Congress promptly overruled the court. In *FMC* v. *Anglo-Canadian Shipping Co.,* 335 F.2d 255 (9th Cir. 1964), the court of appeals held that the Maritime Commission's discovery rules were inconsistent with the agency's general powers. 46 U.S.C. 826(a) was swiftly amended to authorize discovery in conformity with the Federal Rules of Civil Procedure. *See, Pacific Coast European Conf.* v. *FMC,* 359 F.2d 416 (9th Cir. 1966). Congress has taken no action to change 35 U.S.C. § 24 as consistently interpreted by the courts since even before *In re Natta* was decided in 1968.

v. *FPC,* 369 U.S. 482 (1962) (Federal Power Commission should not have proceeded to decision on merits of application for approval of merger between natural gas and pipeline companies while antitrust suit was pending in district court); *cf. Lafayette* v. *SEC,* 454 F.2d 941, 953-54 (D.C. Cir. 1971), *aff'd sub nom. Gulf States Utilities Co.* v. *FPC,* 411 U.S. 747, *reh. denied,* 412 U.S. 944 (1973), where Judge Leventhal stated:

> So far as antitrust issues are concerned the agency has the opportunity to obtain the comments of the Department of Justice. It may even, indeed, defer its disposition pending determination of relevant court litigation where that will aid in the determination of the "public interest" issue. This would be in effect a reverse application of the doctrine of primary jurisdiction, a doctrine that has been appropriately referred to as supple and flexible. The doctrine of primary jurisdiction "has become one of the key judicial switches" in furtherance of "coordination between judicial machinery and [administrative] agencies" in matters of mutual concern. Switches operate both ways, and, depending on the nature of the issue, an agency may wait for a court as well as the reverse [footnotes omitted].

The doctrine of primary jurisdiction is a judicial response designed to resolve the substantive and procedural conflicts created when there is hewed out for administrative agencies areas of jurisdiction impinging on those of the federal courts. *Laveson* v. *Trans World Airlines,* 471 F.2d 76, 77 (3d Cir. 1972). But analogous to the expertise of administrative tribunals underlying the doctrine of primary jurisdiction, the federal district courts possess a certain special knowledge and experience in the supervising of pre-trial discovery

which should facilitate and not hamper, expedite and not delay, the proceedings in the Patent Office.

> [I]t must be recognized that there are areas in which the Patent Office personnel lack expertise or which they are inadequately equipped to handle.
> . . .
>
> Particularly in the area of privilege, whether of the attorney-client or the qualified work product variety, the Board of Patent Interferences lacks experience. This lack of experience is the more note-worthy when it is recalled that privilege is a difficult concept, troublesome in its application even to the federal courts who deal with it daily and have done so since their earliest beginnings. Sears, *Discovery in Interferences,* 53 J. PAT. OFF. SOC'Y 693, 703-04 (1971).

Even where the possibility of subsequent conflict between judicial and agency decrees may exist, neither forum should be denied its proper role. Orders can be devised which anticipate the possibility of conflicts and reserve power to deal with them as they might arise. *See, Otter Tail Power Co.* v. *United States,* 410 U.S. 366, 376-77, *reh. denied,* 411 U.S. 910 (1973) (antitrust decree did not conflict with regulatory responsibilities of Federal Power Commission where phrased in flexible terms making provision for subsequent FPC approvals and retaining jurisdiction for any relief later deemed appropriate or necessary). *See also* Articles IV.A and IV.C of the consent decree filed in *United States* v. *United Parcel Service of America, Inc.,* 1974 Trade Cas. ¶ 74,985 (E.D. Pa.) (defendant enjoined from certain activities restraining trade in the wholesale package delivery business except pursuant to ICC or state regulatory agency authorization).

This same flexibility and respect for the authority granted another adjudicative body can and should be displayed in the context of patent interference proceedings. If the discovery provisions sometimes are misused, there may be a need for the expression of guidelines in this area; even so, the answer is not to deny the desire of Congress that full discovery be available in these proceedings.

Fourth, the court erred in its assumption that the problem of discovery during the board proceedings could be overcome because full discovery would be available if the party losing before the board later sought judicial review in the district court pursuant to 35 U.S.C. § 146. Such a view is as mischievous as it is wrong. It implies the Board of Patent Interferences ought to decide a case in the first instance on the basis of less than all the evidence. It denies the losing party the meaningful choice Congress gave him for review on the record by the Court of Customs and Patent Appeals under 35 U.S.C. § 141 or for district court review authorized by section 146. It ignores the reality of the fact that in a proceeding brought under section 146, the courts attach to the decision of the board a presumption of administrative correctness that it is the undoubted burden on the loser to overcome, whether or not he later obtains discovery. And, unless the court remands to the board for further proceedings, such a rule would substitute the court as the primary decision maker for the administrative agency charged with the responsibility for determining priority of invention through the interference procedure. That would be a procedure even more time consuming and fraught with delay than the one now followed everywhere other than in the Third Circuit.

Finally, as pointed out in the dissenting opinion of Judge Adams,[16] this case raises a broad question concerning the role of courts in interpreting federal law: Is it appropriate for a court of appeals to overrule its own and the apparently settled construction of a statute? Even if a court of appeals is convinced that its own earlier interpretation was incorrect, is not the desirable and proper source for correction either the Congress or this Court? There is no doubt that the law must live; outmoded precedents based on concepts to which courts can no longer in good conscience subscribe cannot inflexibly bind the courts. In constitutional adjudication in particular, the courts must be willing to reconsider and reshape the law with due deference both to the commands of the past and the needs of the present. But in matters of statutory construction, particularly of statutes under constant Congressional scrutiny, as the patent laws have been in recent years, and when review by this Court is very much a possibility, such overruling of precedent is not appropriate. It is all the less appropriate if it takes the retrogressive form of the majority opinion in this case, aggravated by the fact that the overruling decision was based on two considerations that petitioners believe should have no bearing on such an issue: The alleged burden the courts face if required to aid in patent interference discovery, and the adoption by the Patent Office of a truncated discovery rule of its own.

If the Congress has seen fit to give the courts this role, it is a jurisdiction they must exercise. That is a principle as old as the Republic. *Cohens* v. *Virginia*, 6 Wheat. 264, 404 (1821). Relief from such tasks, if relief be needed, must come from Congress. However,

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[16] Appendix B, at 25b et seq.

petitioners submit that the relief sought is illusory at best, since precluding discovery at the interference level of the proceedings will only mean that the courts will become involved in the same issues at the level where judicial review of these proceedings finally takes place. Similarly, the adoption of a discovery procedure of sorts within the Patent Office can have no effect on the meaning of an act of Congress adopted some twenty years earlier. The mere statement of the proposition suggests its impropriety.

CONCLUSION

Congress seemed to speak directly and clearly when it enacted 35 U.S.C. § 24. So all the courts heretofore have held. The unfair, anomalous and regressive decision by the Third Circuit in this case should not be permitted to subvert what has become the universally adopted practice for patent cases. Those contests, as other contested administrative proceedings, should be subject to the fullest search for the facts. Accordingly, this case is one that requires the attention of this Court. A writ of certiorari should be granted.

Respectfully submitted,

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APPENDIX

APPENDIX A

The Relevant Statutes

35 U.S.C. § 24. Subpoenas, witnesses

The clerk of any United States court for the district wherein testimony is to be taken for use in any contested case in the Patent Office, shall, upon the application of any party thereto, issue a subpoena for any witness residing or being within such district, commanding him to appear and testify before an officer in such district authorized to take depositions and affidavits, at the time and place stated in the subpoena. The provisions of the Federal Rules of Civil Procedure relating to the attendance of witnesses and to the production of documents and things shall apply to contested cases in the Patent Office.

Every witness subpoenaed and in attendance shall be allowed the fees and traveling expenses allowed to witnesses attending the United States district courts.

A judge of a court whose clerk issued a subpoena may enforce obedience to the process or punish disobedience as in other like cases, on proof that a witness, served with such subpoena, neglected or refused to appear or to testify. No witness shall be deemed guilty of contempt for disobeying such subpoena unless his fees and traveling expenses in going to, and returning from, and one day's attendance at the place of examination, are aid or tendered him at the time of the service of the subpoena; nor for refusing to disclose any secret matter except upon appropriate order of the court which issued the subpoena. July 19, 1952, c. 950, § 1, 66 Stat. 795.

35 U.S.C. § 141. Appeal to Court of Customs and Patent Appeals

An applicant dissatisfied with the decision of the Board of Appeals may appeal to the United States Court of Customs and Patent Appeals, thereby waiving his right to proceed under section 145 of this title. A party to an interference dissatisfied with the deci-

sion of the board of patent interferences on the question of priority may appeal to the United States Court of Customs and Patent Appeals, but such appeal shall be dismissed if any adverse party to such interference, within twenty days after the appellant has filed notice of appeal according to section 142 of this title, files notice with the Commissioner that he elects to have all further proceedings conducted as provided in section 146 of this title. Thereupon the appellant shall have thirty days thereafter within which to file a civil action under section 146, in default of which the decision appealed from shall govern the further proceedings in the case. July 19, 1952, c. 950, § 1, 66 Stat. 802.

35 U.S.C. § 146. Civil action in case of interference

Any party to an interference dissatisfied with the decision of the board of patent interferences on the question of priority, may have remedy by civil action, if commenced within such time after such decision, not less than sixty days, as the Commissioner appoints or as provided in section 141 of this title, unless he has appealed to the United States Court of Customs and Patent Appeals, and such appeal is pending or has been decided. In such suits the record in the Patent Office shall be admitted on motion of either party upon the terms and conditions as to costs, expenses, and the further cross-examination of the witnesses as the court imposes, without prejudice to the right of the parties to take further testimony. The testimony and exhibits of the record in the Patent Office when admitted shall have the same effect as if originally taken and produced in the suit.

Such suit may be instituted against the party in interest as shown by the records of the Patent Office at the time of the decision complained of, but any party in interest may become a party to the action. If there be adverse parties residing in a plurality of districts not embraced within the same state, or an adverse party residing in a foreign country, the United States District Court for the District of Columbia shall have jurisdiction and may issue summons against the ad-

verse parties directed to the marshal of any district in which any adverse party resides. Summons against adverse parties residing in foreign countries may be served by publication or otherwise as the court directs. The Commissioner shall not be a necessary party but he shall be notified of the filing of the suit by the clerk of the court in which it is filed and shall have the right to intervene. Judgment of the court in favor of the right of an applicant to a patent shall authorize the Commissioner to issue such patent on the filing in the Patent Office of a certified copy of the judgment and on compliance with the requirements of law. July 19, 1952, c. 950, § 1, 66 Stat. 803.

APPENDIX B

Opinion of the Court of Appeals

UNITED STATES COURT OF APPEALS
FOR THE THIRD CIRCUIT

No. 73-1622

VINCENT J. FRILETTE, AND PAUL R. WEISZ,
Appellants

CHARLES N. KIMBERLIN, JR. AND ELROY M. GLADROW,
Appellees

* * *

Nos. 73-1635 and 73-1695

RICHARD J. DUFFY,
Appellee

v.

GERALD BARNES, JOSEPH R. PREZIOSI, ET AL.,
Appellants

Decided Dec. 16, 1974

Before SEITZ, Chief Judge, and VAN DUSEN, ALDISERT, ADAMS, GIBBONS, ROSENN, HUNTER, WEIS and GARTH, Circuit Judges.

WEIS, *Circuit Judge.*

To "bite the bullet" is an old phrase currently enjoying a revival in popularity. It aptly describes our action in these appeals as we overrule our prior holding in In re Natta, 388 F.2d 215, 156 USPQ 289 (3rd Cir. 1968), which erroneously gave a broad interpretation to 35 U.S.C. § 24 (1952). It is our conclusion that the statute does not grant broad discovery authorization to the district courts in patent interference cases but limits ancillary jurisdiction to the issuance of subpoenas as permitted by prior practice.

These two appeals were argued together, and, while the fact situations differ, a common question of law governs the outcome of both cases. The relevant facts will be set out in abbreviated fashion, however, to give some background to the issues involved.

Both cases arise from interference proceedings filed in the Patent Office. This is an administrative process authorized by 35 U.S.C. § 135 (1962) to determine which of two or more applicants is the first inventor and thus entitled to a patent. The applicant first in time is called the senior party, and the other is designated the junior party. After all parties have filed preliminary statements presenting the grounds for their positions, a period of time is set by an examiner for the filing of motions. Thereafter, the Board of Patent Examiners establishes a time schedule designating when the parties must present their trial evidence, by means of deposition, affidavit, or stipulation. The junior party is required to produce the evidence first, and the senior party follows.

In the preliminary stages of the Duffy case, the junior party filed a motion supported by affidavits. The motion was denied by the examiner and was then appealed to the Board of Patent Interferences. The senior party, without waiting for a decision on the appeal, applied to the district court in New Jersey for subpoenas duces tecum to compel discovery by depositions. After argument, the district court wrote an opinion[1] permitting discovery but limiting it to matters dealing with the veracity of the affidavits attached to the junior party's motion.

In the Frilette case, the junior party filed a request for discovery with the Patent Office pursuant to its Rule 287 (c).[2] The motion was denied by the Board as being pre-

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[1] The court's order was handed down on July 24, 1973, and an appeal was promptly filed in this court. A request for stay was filed on July 25, 1973, and denied on July 30, 1973. A second appeal was filed on August 14, 1973, together with a motion for clarification which was denied on August 22, 1973. Yet a third motion was filed in this court on October 12, 1973, seeking impoundment of evidence obtained by discovery. After argument, the motion was referred to another panel for disposition.

[2] Pursuant to the authority granted by 35 U.S.C. §23, Patent Office Rule 287, 37 C.F.R. § 1.287 was enacted effective June 11, 1971. It provides as follows:

"287. Discovery.

mature since the time for filing documents by the senior party under Rule 287(a) had not yet expired. The junior party then applied to the district court in Delaware, which

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"(a)(1) Each party who expects to take testimony must serve on each opposing party who requests service the following:

"(i) A copy of each document in his possession, custody, or control and upon which he intends to rely,

"(ii) A list of and a proffer of reasonable access to things in his possession, custody, or control and upon which he intends to rely; and

"(iii) A list giving the names and addresses of all persons whom he intends to call as witnesses and indicating the relationship of each person to the invention in issue.

"(2) Dates for compliance with subparagraph (1) of this paragraph will be set in accordance with the following:

"(i) The date by which all parties may request service shall be not less than 10 days from the date of the order setting testimony times;

"(ii) The date for service by all junior parties shall be not less than 30 days from the date of the order setting such times;

"(iii) The date for service by the senior party shall be not less than 10 days from the date set for the close of testimony in chief of all junior parties.

"(3) Where more than two parties are involved and one of the junior parties is not entitled to take testimony as to a more senior party, the requirements of subparagraphs (1) and (2) of this paragraph shall not be applicable as between such parties.

"(b) The provisions of paragraph (a) of this rule are without prejudice to the right of a party, where appropriate, to obtain production of documents or things during cross-examination of an opponent's witness or during his own period of rebuttal testimony.

"(c) Upon motion (rule 243) brought by a party during the period for preparation for testimony or thereafter as authorized under rule 245, and upon a showing that the interest of justice so requires, the Board of Patent Interferences may order additional discovery as to matters under the control of a party within the scope of the discovery rules of the Federal Rules of Civil Procedure, specifying the terms and conditions of such additional discovery. An order by the Board granting or denying a motion under this paragraph shall not be subject to review prior to a decision awarding priority.

"(d)(1) A party will not be permitted to rely on any docu-

also denied discovery in an opinion holding that good cause had not been shown, and that the request was premature.[3]

This anomaly—permitting discovery in the district court while matters are still pending before an administrative agency—exists only in patent interferences. Generally, discovery is not available in administrative procedures. Davis, 1 Administrative Law Treatise § 8.15 at 588 says:

> "The APA contains no provision for pretrial discovery in the administrative process and, of course, the provisions of the Federal Rules of Civil Procedure for discovery do not apply to administrative proceedings. Therefore, in the absence of special statutory provision, and in the absence of special administrative regulation, no procedure for discovery is normally available in a federal administrative proceeding." [Footnote omitted]

Though there has been much criticism directed toward the absence of these procedures in administrative matters,

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ment or thing in his possession, custody or control, or on any witness, not listed and served by that party as required by paragraph (a) of this rule, except upon a promptly filed motion accompanied by the proposed additional documents or lists together with a showing of sufficient cause as to why they were not served by the date set pursuant to paragraph (a) of this rule.

"(2) Any failure to comply with an order under the provisions of paragraph (e) of this rule may be considered by the Board of Patent Interference as basis for applying appropriate restrictions against the party failing to comply, for holding certain facts to have been established, and in an appropriate case for awarding priority against him, or for taking such other action as may be deemed appropriate.

"(e) The parties may by agreement among themselves modify any of the foregoing requirements consistent with the schedule of times for taking testimony and filing the record. In the absence of such agreement, discovery will not be permitted prior to the period set for the preparation for testimony. (Added June 11, 1971)."

[3] Frilette v. Kimberlin, 358 F.Supp. 493, 178 USPQ 387 (D.C. Del. 1973).

little has been done to cure it except in the Patent Office. See Davis, supra.

The parties in these cases assert their right to secure discovery in the district court upon the authority of 35 U.S.C. § 24 which reads:

> "The clerk of any United States court for the district wherein testimony is to be taken for use in any contested case in the Patent Office, shall, upon the application of any party thereto, issue a subpoena for any witness residing or being within such district, commanding him to appear and testify before an officer in such district authorized to take depositions and affidavits, at the time and place stated in the subpoena. The provisions of the Federal Rules of Civil Procedure relating to the attendance of witnesses and to the production of documents and things shall apply to contested cases in the Patent Office."

This statutory provision was interpreted by this court in In re Natta, supra, to mean that Congress intended to include not only Fed. R. Civ. P. 45, pertaining to the attendance of witnesses and production of documents, but also the other rules of federal practice relating to discovery. The dissent by Chief Judge Seitz concluded that Congress had meant only to maintain the continuity of authority as granted to the courts under an earlier repealed statute pertaining to subpoenas and had not intended to incorporate the broad provisions relating to discovery generally. Essentially, the dissent reasoned that the courts were only to issue and enforce subpoenas in connection with the preparation of evidence for submission to the Board of Patent Interferences—the practice which had previously prevailed.

Prior to Natta, pretrial discovery, as such, was unknown in cases before the Board of Patent Interferences. The earlier case of Gladrow v. Weisz, 354 F.2d 464, 148 USPQ 110 (5th Cir. 1965),[4] Natta v. Zletz, 379 F.2d 615, 153

[4] The court held that a motion under Fed. R. Civ. P. 34 to produce documents by a party under cross examination would be

USPQ 768 (7th Cir. 1967),[5] and Korman v. Shull, 184 F.Supp. 928, 125 USPQ 280 (W.D. Mich. 1960),[6] all involved instances where testimony was being prepared and subpoenas either had or could have been issued to compel production of documents. None of those cases actually involved pretrial discovery as that term is understood in the usual civil litigation.

The impact of the Natta decision was substantial. While the holding there, as in the earlier cases, applied to a situation where testimony was in progress, the dictum in that opinion was so broad that the applications were soon made and granted where pretrial discovery was sought.[7]

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allowed since the same result could be obtained by a subpoena duces tecum. The opinion did not purport to include all discovery rules.

[5] A motion had been made by a senior party under Rule 34 for documents to use in connection with a cross-examination of junior party employees on rebuttal testimony. Presentation of testimony was in process though the witness was not yet on the stand. Relying on Gladrow v. Weisz, supra, the court ordered production under Rule 34. Again, it seems that the material could have been secured by a subpoena duces tecum.

[6] In this case a subpoena had been issued. By way of dictum and without any review of the history of 35 U.S.C. §24, the district court held that Fed. R. Civ. P. 26, 30, 34, and 45 were applicable. Subpoenas were ordered quashed because good cause had not been shown. Apparently, the subpoenas were issued in connection with presentation of testimony. However, in the later case of Korman v. Nobile, 133 USPQ 178 (W.D. Mich. 1962), the same judge in passing upon another motion in the same interference proceeding said that the broad provision of the rules relating generally to discovery did not apply.

[7] The opinion contained the statement that "This statute manifests a clear congressional intent to make available to parties to patent interferences the broad discovery provisions of the Federal Rules of Civil Procedure." 288 F.2d at 217, 156 USPQ at 290.

In Sears, Discovery in Interferences, 53 Journal of the Patent Office Society 693 (1971), the author, one of the counsel appearing in the Natta cases, stated that "discovery" in proceedings before the adoption of the Federal Rules of Civil Procedure in 1937 was

Because of the unique procedural posture of these cases, almost every order granting or denying discovery, no matter how routine in nature, became appealable.[8] The appel-

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secured in connection with testimony to be presented as evidence at the trial. Since this evidence was in deposition form following the old equity practice, extremely wide latitude was extended to the concept of relevancy and materiality because the parties would not know in advance what rulings would be made at trial. This was a practical approach designed to avoid a remand for the taking of further testimony made necessary by unanticipated rulings at trial or on appeal and, of course, allowed "discovery" of information arguably irrelevant and immaterial which led to other evidence of more value.

As the author states candidly, "Perhaps unfortunately, some practitioners were motivated to go much further than the Natta cases did, or were ever intended to go, and seek so-called '*pretrial* discovery' during the interference motion period regardless of their ultimate entitlement to present evidence in the interference."

In both cases at bar, discovery was sought in advance of the time set either for testimony or discovery as permitted by the new Patent Office rules. In Duffy, application was not made to the Patent Office, and in Frilette, application had been made and refused as premature.

[8] The Natta case discussed here was but one of many growing out of discovery in Patent Interference 89,634. Not only was this circuit involved, but trial and appellate courts in other parts of the country were struggling with various aspects of discovery in that same interference proceeding, often at the same time. The following is a list, not warranted to be complete, of published opinions on various rulings: Montecatini Edison S.p.A. v. du Pont de Nemours & Co., 434 F.2d 70, 167 USPQ 577 (3d Cir. 1970); Natta v. Zletz, 418 F.2d 633, 163 USPQ 675 (7th Cir. 1969); In re Natta, 410 F.2d 187, 161 USPQ 389 (3d Cir. 1969), cert. denied 396 U.S. 836, 163 USPQ 704; Natta v. Zletz, 405 F.2d 99, 160 USPQ 175 (7th Cir. 1968), cert. denied 395 U.S. 909, 163 USPQ 704; Natta v. Hogan, 392 F.2d 686, 157 USPQ 183 (10th Cir. 1968); In re Natta, 388 F.2d 215, 156 USPQ 289 (3d Cir. 1968); Natta v. Zletz, 379 F.2d 615, 153 USPQ 768 (7th Cir. 1967); In re Hogan, 309 F.Supp. 945, 164 USPQ 592 (D.C. Del. 1970); In re Natta, 48 F.R.D. 319, 163 USPQ 680 (D.C. Del. 1969); Hogan v. Zletz, 43 F.R.D. 308, 154 USPQ 230 (N.D. Okla. 1967), modifying Natta v. Hogan, 392 F.2d 686, 157 USPQ 183 (10th Cir. 1968); In re Natta, 264 F.Supp. 734, 153 USPQ 11 (D.C. Del. 1967), aff'd 388 F.2d 215, 126 USPQ

late bench thus was called upon to review, in this isolated field, discovery matters which would have been interlocutory in other fields of litigation where they would probably never receive attention in an appellate brief.

In addition to this substantial burden which was placed upon the traditional process of judicial administration, the liberalization of discovery engendered an interference all its own—one between the procedures in the Patent Office and those in the courts. The traditional timetable for submitting a case in the Patent Office and its concern for limiting the scope to relevant evidence were effectively neutralized if either party resorted to the federal courts for discovery in any or all stages in the interference proceedings. Instead of a role of "cooperatively complementing"[9] the Patent Office, the courts became the means through which the parties ranged far and wide, geographically as well as in terms of relevance, in search of evidence which, although not germane to issues in the Patent Office, might lead to other admissible evidence.[10] This, of course,

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289 (3d Cir. 1968); and In re Natta, 259 F.Supp. 922, 151 USPQ 93 and 371 (D.C. Del. 1966), aff'd 388 F.2d 215, 156 USPQ 289 (3d Cir. 1968).

[9] Natta v. Zletz, 379 F.2d 615, 618, 153 USPQ 768, 770-771 (7th Cir. 1967).

[10] Even in the most complex antitrust litigation filed in the district court, the overwhelming majority of the matters similar to those appealed in the various patent interference cases would have been considered interlocutory and would have been concluded by the trial judge. Judge Coolahan commented on another unsatisfactory aspect in the Babcock and Wilcox Co. v. Foster Wheeler Corp., 173 USPQ 480, 481 (D.C. N.J. 1972), "A more undesirable plan for litigation could hardly be imagined, than that by which counsel must commute, often frantically and behind schedule, between the Patent Office and the federal district court in a time-consuming effort to exhaust discovery rights at the same time the interference trial has begun. When the district court decision is appealed, as it inevitably is, more delay occurs.

"The halving of legal decision-making between the Patent Office and the district courts has created friction between them."

all took time and disrupted the schedules of the Patent Office with stays of proceedings in that agency while discovery proceeded in the courts.

Over the years the Patent Office has developed a procedure for handling these cases which required the junior party to present its evidence first. Discovery by the junior party in the district court prior to or while it presents its own case, however, frustrates the order of precedence which the Patent Office desires to utilize.[11] Whether that scheduling and priority are desirable is really not relevant, because they represent a choice by the agency responsible for processing these matters. The wisdom of the procedure is not entrusted to the courts.

Additional areas of conflict arose when the Patent Office ruled that certain discovery evidence which was secured in the courts would not be received in the Patent Office proceeding.[12] These conflicts between the Board of Patent Interferences and the court system would be serious enough if only one court were involved, but when several district courts and courts of appeals are concerned with different phases of the same litigation, the aggravations and delays become compounded.

Within the court system itself, the usual rules of confining control of the litigation to the principal forum become obscured and unworkable. Each district court has only the same interest in the outcome of the case as another. None has the decisional power in the final analysis; no one can guide and direct the parties toward some definitive goal. Although the matter ultimately will be submitted to the Patent Office, that agency cannot limit the activities or scope of discovery in the courts until that process has run its course. Interference proceedings thus

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[11] Cf. Dunner, Gambrell, and Kayton, 3 Patent Law Perspectives, 1970 Developments § C.4.

[12] See Sears, Discovery in Interferences, supra at 701.

lose the rudder that the court or agency which should have control over the case can provide.

Even if no discovery at all is permitted in the Patent Office, the parties are not without a remedy. They still have a right of appeal to a district court under 35 U.S.C. § 146 (1952).[13] Such an appeal is de novo, and the full scope of discovery is permitted since the case then comes within the jurisdiction of the district court and the usual rules of procedure apply. But in such a situation the forum district does control the case, and orders on discovery are not appealable as of right but rather are interlocutory. Since the district court is familiar with the case, it is in a position to rule intelligently and promptly on the necessity of limitation or expansion of the scope of discovery in a particular case. There is an obvious improvement in judicial efficiency by having one court control the litigation.

Thus, the broad interpretation of Section 24 adopted by this court in 1968 established a procedural system which violated such tenets of good judicial administration as centralization of the litigation, disallowance of appeals on interlocutory and collateral matters, and primary jurisdiction. All repercussions were not negative, however. Spurred, no doubt, by the effects of the Natta decision, the Patent Office in 1971 chose to exercise the power to promulgate its own rules of discovery under the authority granted by Congress in 35 U.S.C. § 23 (1952). The Patent Office discovery rules, being limited in time and scope, are not as liberal as the Federal Rules of Civil Procedure but do represent an improvement over prior administrative practice.

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[13] The authors of Patent Law Perspectives argue that it might be better to transfer all the interference cases to the courts without going through proceedings in the Patent Office, unless adequate discovery means in district courts are made available. See 3 Patent Law Perspectives, 1973 Developments § C.4. Discovery in the Patent Office itself, however, seems to offer a more acceptable solution to the problem.

The obvious disadvantages of the Natta discovery doctrine and the advent of the Patent Office discovery rules have prompted us to reconsider our holding in that case, rather than simply to accept it as binding precedent. Despite its drawbacks, we would be bound by that rule had Congress in fact conferred such jurisdiction upon the courts, because we must recognize such jurisdiction as is granted by the legislative branch. The question is, did Congress in fact grant the jurisdiction which Natta thought to exist or did that conclusion come about only by erroneous construction and interpretation. We conclude that the latter is true.

In considering the words of the statute itself, two points are readily apparent. It does not use the word "discovery," nor is there any effort made to incorporate all of the federal rules of procedure. As Chief Judge Seitz pointed out in his Natta dissent, if Congress had meant to include discovery in its broad sense, such a substantial change in previous practice would naturally have been expected to be reflected in specific congressional recognition.[14] Not even the most enthusiastic advocates of the broad discovery made possible by Natta assert that all of the Federal Rules of Civil Procedure are included by transfer under Section 24.

Little would be served by repeating the excellent historical analysis of Section 24 set out in the Natta dissent. We simply adopt it at this time as the correct interpretation of the statute noting that, as is not unknown in judicial history, the opinion which was a dissent when rendered now becomes the law.[14a]

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[14] 35 U.S.C. § 23 was passed by Congress on the same day as Section 24 and is part of the same statutory package. It defies reasonable principles of statutory construction to hold that Congress specifically granted the Patent Office authority to enact rules of discovery under Section 23, while at the same time only inferentially extending the broad gambit of the Federal Rules of Civil Procedure on discovery to the courts in interference cases under Section 24.

[14a] Judge Seitz's opinion in Natta reviews in detail the history

We do not lightly overturn precedent, and stare decisis must be treated with respect. But when on deep and mature reconsideration it becomes apparent that an error has been made by the court, the proper step is correction. This is particularly so in a matter of procedure where no substantive rights are vested as a result of the earlier decision.

We do not believe it is necessary to wait for Congress to take the corrective action because the error was judge-made and the correction should be made in the same fashion. We cannot escape the fact that what has been done is in the nature of what, in the words of Chief Justice Hughes, might be called a "self-inflicted wound." We did not wait for congressional action to correct our mistake on "manufactured diversity" but took that step ourselves in McSparran v. Weist, 402 F.2d 867 (3d Cir. 1968), cert. denied sub nom., 395 U.S. 903 (1969). The fact that Congress has under consideration several proposals to amend the patent statutes,[15] including provisions relating to discovery, similarly should not cause us to delay setting our own house in order.

We hold that 35 U.S.C. § 24 in referring to "provisions of the Federal Rules of Civil Procedure relating to the attendance of witnesses and to the production of docu-

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of Section 24 and comes to a different conclusion than Judge Van Dusen's dissent in this case. It is because the majority believes that Judge Seitz correctly analyzed the statute that we now overrule Natta. The undesirable results of the Natta doctrine supply a background for reconsideration, not the reason for rejection of that case. If Natta had correctly interpreted § 24, the side effects would be worthy of note, but not grounds for disavowal of jurisdiction.

[15] S. 1321 and S. 2504 would give authority to the Patent Office to issue subpoenas and require the Commissioner of Patents to establish rules for discovery similar to those of the Federal Rules of Civil Procedure. S. 2930 requires issuances of subpoenas by the clerk of the District Court and provides that the Federal Rules of Civil Procedure as applicable to discovery shall apply.

ments" refers to the matters encompassed by Fed. R. Civ. P. 45(a), (b), (c), (d)(2), (e) and (f).

The order in Frilette v. Kimberlin will be affirmed. The order in Duffy v. Barnes will be reversed.

VAN DUSEN, *Circuit Judge,* dissenting.

I respectfully dissent from the holding of the majority that 35 U.S.C. § 24, as worded in 1952, limits the ancillary jurisdiction of the district courts "to the issuance of subpoenas as permitted by prior practice." This holding is specifically stated by the majority above:

> "We hold that 35 U.S.C. § 24 in referring to 'provisions of the Federal Rules of Civil Procedure relating to the attendance of witnesses and to the production of documents' refers to the matters encompassed by Fed. R. Civ. P. 45(a), (b), (c), (d)(2), (e), and (f)."

The majority opinion concedes at page 270 that we are "bound by" any jurisdiction conferred on the federal district courts by Congress.[1] The majority nevertheless appears to believe that district court jurisdiction, as mandated by the plain meaning of 35 U.S.C. § 24, is undesirable. Thus the majority disregards the following language, first included in § 24 by the Act of July 19, 1952, c. 950, § 1, 66 Stat. 795:

> "The provisions of the Federal Rules of Civil Procedure relating to the attendance of witnesses and to the production of documents and things shall apply to contested casts in the Patent Office."

The plain or ordinary meaning of words used in a statute is applied in its construction. See Banks v. Chicago Grain

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[1] I do not disagree with the majority opinion's statement that the language of the majority in In re Natta, 388 F.2d 215, 156 USPQ 289 (3d Cir. 1968), gave an unjustifiably broad interpretation to the 1952 amendment to 35 U.S.C. § 24.

Trimmers Ass'n, 390 U.S. 459, 465 (1968); Malat v. Riddle, 383 U.S. 569, 571 (1966); Hughes v. Local No. 11, 287 F.2d 810, 818 (3d Cir. 1961); Hennesey v. Securities & Exchange Commission, 285 F.2d 511, 515 (3d Cir. 1961). "The provisions of the Federal Rules of Civil Procedure" does not plainly mean only one of these Rules, namely, Rule 45, as decided by the majority. In addition to the plain meaning of the present statutory language, an analysis of the previous language and amendments thereto contradicts the majority's position. The applicable statutory language, as contained in Title 35 U.S.C. prior to the July 1952 Act, and the substitute language in 35 U.S.C. § 24 are set out as follows:

35 U.S.C. § 54 prior to July 19, 1952

"The clerk of any court of the United States, for any district or Territory wherein testimony is to be taken for use in any contested case pending in the Patent Office, shall, upon the application of any party thereto, or of his agent or attorney, issue a subpoena for any witness residing or being within such district or Territory, commanding him to appear and testify before any officer in such district or Territory authorized to take depositions and affidavits at any time and place in the subpoena stated. But no witness shall be required to attend at any place more than forty

First paragraph of 35 U.S.C. § 24 after July 19, 1952

"The clerk of any United States court for the district wherein testimony is to be taken for use in any contested case in the Patent Office, shall, upon the application of any party thereto, issue a subpoena for any witness residing or being within such district, commanding him to appear and testify before an officer in such district authorized to take depositions and affidavits, at the time and place stated in the subpoena. *The provisions of the Federal Rules of Civil Procedure relating to the attendance of witnesses and to the pro-*

miles from the place where the subpoena is served upon him; and the *provisions of section 647, of Title 28*[2] *relating to the issuance of subpoenas duces tecum shall apply to contested cases in the Patent Office.*" (Emphasis supplied.)

duction of documents and things shall apply to contested cases in the Patent Office." (Emphasis supplied.)

The reference to Rule 45 was effectively contained in the statute prior to the 1952 Act. Not only did the amending language alter this reference, but it also referred for the first time to the "provisions of the * * * Rules * * * relating to * * * the production of documents and things." These exact words were used in the title of Rule 34 as it existed in 1952. The title to this Rule, as amended in 1946,[3] read as follows in 1952:

> "RULE 34. Discovery and Production of Documents and Things for Inspection, Copying, or Photographing."

As opposed to this title, the titles and subtitles of Rule 45 read as follows:

> "Rule 45.
> "SUBPOENA
>
> "(a) For Attendance of Witnesses; Form; Issuance.
>
> * * *

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[2] The words "F.R. Civ. P. 45" had been substituted for "section 647 of Title 28" by the terms of 28 U.S.C. § 723b and c (Act of June 19, 1934, Ch. 651, 48 Stat. 1064, which was amended by Act of June 25, 1948, Ch. 646, 62 Stat. 961), which terms are now contained in 28 U.S.C. § 2072 as follows:

"All laws in conflict with such rules shall be of no further force or effect after such rules shall have taken effect." Title 28, section 647, was repealed when F.R. Civ. P. 45, became effective in April 1938. See U.S.C.A. Tables I, Revised Titles, at 43.

[3] See page 13 of House Document 473, 80th Cong., 1st Sess.

"(b) For Production of Documentary Evidence.

* * *

"(c) Service.

* * *

"(d) Subpoena for Taking Depositions; Place of Examination.

* * *

"(e) Subpoena for a Hearing or Trial.

* * *

"(f) Contempt.

* * *"

According to the plain meaning of the words used in (a) 35 U.S.C. § 24, as amended in 1952, and (b) Rules 34 and 45, it seems clear that the words "The Federal Rules of Civil Procedure" referred at least to Rule 34 as well as Rule 45. Otherwise, Congress could have retained the wording of 35 U.S.C. § 54, merely substituting "Federal Rule of Civil Procedure 45" for "section 647 of Title 28."[4]

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[4] See note 2 above. Congress might have hesitated to cite in § 24 a single rule of procedure, since the rules are not statutes and thus not subject to the closest congressional control over content and wording. Nevertheless, no reason appears why Congress would have failed to specify the provisions of the Rules of Civil Procedure relating to subpoenas had the intent been to limit the reference to Rule 45. Also, the legislative history of the 1952 Act shows that Congress changed the language of 35 U.S.C. §24 as it first appeared in a draft bill to provide that "the provisions of the Federal Rules of Civil Procedure relating to *the attendance of witnesses and to the production of documents and things* shall apply to contested cases in the Patent Office. H.R. 9133 was introduced in the 81st Congress on July 17, 1950, and this bill was reintroduced in revised form in the 82nd Congress as H.R. 3760, which became the Patent Act of July 19, 1952 (P.L. 593, 82nd Cong., 2d Sess., c. 950; 66 Stat. 792). H.R. 9133 contained this language in the last half of the last sentence of the first paragraph of 35 U.S.C. § 24:

> "* * * and the provisions of the Federal Rules of Civil Procedure relating to the issuance of subpoenas duces tecum shall apply to contested cases in the Patent Office."

When this bill was reintroduced in revised form in the 82nd Congress as H.R. 3760, the last sentence of the first paragraph of pro-

A. Frilette Case

In the Frilette case, during the preparations-for-testimony stage, prior to the commencement of the junior party Frilette's taking of testimony, Frilette filed a motion for discovery with the Board of Patent Interferences under Patent Office Rule 287(c), seeking certain information from Kimberlin. The Board of Patent Interferences denied the motion in a decision dated January 17, 1973, on the ground, inter alia, that the motion under 287(c) for additional discovery was premature "since the time for service of documents and lists by Kimberlin * * *, the senior party, under Rule 287(a) has not closed and in view of the fact that it is therefore not known what documents and lists will be served * * *."

Frilette also filed in the district court a motion to compel discovery under F.R. Civ. P. 37. In this motion, Frilette sought substantially the same discovery sought in the Patent Office, and requested an order compelling Kimberlin (1) to designate certain witnesses under F.R. Civ. P. 30(b)(6), (2) to answer certain interrogatories under F.R. Civ. P. 33, (3) to produce documents under F.R. Civ. P. 34, and (4) to admit certain facts under F.R. Civ. P. 36. A hearing on this motion was held before the district court, and, in an Opinion and Order dated May 15, 1973, the

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posed 35 U.S.C. § 24 had been changed to read:

> "The provisions of the Federal Rules of Civil Procedure relating to the attendance of witnesses and the production of documents and things shall apply to contested cases in the Patent Office."

The result of the many suggestions from the Patent Bar and the public concerning H.R. 9133 and the reintroduction of this bill in revised form in the 82nd Congress as H.R. 3760 is contained in House Report No. 1923, May 12, 1952. This history reveals the substitution for the words "the issuance of subpoenas duces tecum" of the words "the attendance of witnesses and the production of documents and things," which is the language appearing in the 1952 Patent Act.

district court denied the motion. See Frilette v. Kimberlin, 358 F.Supp. 493, 178 USPQ 387 (D. Del. 1973).

Frilette appeals from this denial of his motion.

The district court, in denying Frilette's motion to compel discovery, stated that the law as previously enunciated should no longer prevail because of the recent occurrence of two events: (1) the 1970 amendments to the Federal Rules of Civil Procedure which eliminated the good cause requirement as a prerequisite to Rule 34 document requests, and (2) the introduction by the Patent Office in June 1971 of the discovery provisions of Rule 287.

With respect to the 1970 amendments, the district court stated:

> "Since the good cause requirement was apparently a factor in the federal courts' willingness to interpret § 24 broadly, this Court is unable to conclude that § 24 would have received a similar construction absent this safeguard. In such circumstances, it would not be unreasonable to continue to impose a good cause requirement under 35 U.S.C. § 24."

358 F.Supp. at 495-96, 178 USPQ at 388-389. The district court went on to conclude that Frilette had not made a showing of good cause.

With respect to the recent introduction by the Patent Office of the discovery provisions of Rule 287, the district court stated that the absence of any discovery mechanism in the Patent Office prior to the promulgation of Rule 287 had been a significant factor in the federal courts' willingness to give 35 U.S.C. § 24 a broad reading and to assume jurisdiction over discovery matters in interference proceedings. The district court felt that the introduction of the Patent Office discovery rules "appear[s] to reflect the Patent Office's efforts to construct a discovery process which embodies the good cause requirement cited" in such cases as In re Natta, supra, and that Rule 287 might, there-

fore, require a redefinition of the federal courts' role in granting discovery in interference proceedings under 35 U.S.C. § 24.

Based upon the above two considerations, the district court announced the following limitation on its role in interference discovery cases arising under 35 U.S.C. § 24:

> "While a federal court cannot abrogate its responsibility to assume jurisdiction under 35 U.S.C. § 24, it must not blind itself to the ancillary, supportive role, it is designed to fulfill in interference matters. Until the Patent Office has had a reasonable opportunity to implement its discovery procedures and has demonstrated the parameters within which they will be administered, the courts are in no position to evaluate the potential efficacy of the procedures and the possibility that the courts will be able to assume a secondary role in discovery. In light of these general considerations, the Court must scrutinize Frilette's particular discovery requests in light of the issues before the Patent Office."

358 F.Supp. at 496, 178 USPQ at 389.

Frilette's primary contention on appeal is that, in light of the elimination by Congress in 1970 of the good cause requirement as a prerequisite to the grant of discovery under F.R. Civ. P. 34, the district court erred in judicially imposing a good cause requirement upon a party seeking discovery in an interference proceeding.

Specifically, Frilette claims that the district court's resurrection of the good cause requirement, on the ground that 35 U.S.C. § 24 would have received a different construction by this court in Natta and other courts absent the good cause safeguard, has no basis in logic. First, Frilette notes that good cause is not, and never was, a requirement of any of the discovery rules except F.R. Civ. P. 34, and that courts have granted discovery in patent interferences under such other discovery rules without

regard to good cause. See, e.g., Babcock & Wilcox Co. v. Foster Wheeler Corp., 54 F.R.D. 474, 172 USPQ 286 (D. N.J. 1971) (motion to compel discovery under F.R. Civ. P. 37). Secondly, Frilette contends that the reasons for the 1970 amendment of F.R. Civ. P. 34, eliminating the good cause requirement, apply with equal force whether the parties seeking discovery are parties to a Patent Office interference or litigants in a different type of civil proceeding.[5] Finally, Frilette contends that the application of a different standard to the scope of discovery under the Federal Rules when the interference is pending before the Patent Office would not only impair the Patent Offices quest for truth but also necessarily increase the number of suits in the district courts under 35 U.S.C. § 146 after decisions of the Board of Patent Interferences since, as the district court in the instant case noted, "on appeal to the district court from a decision by the Board of Patent Interferences, the movant may be entitled to broad discovery under the Federal Rules without any showing of good cause or other particular reason for the requested discovery." 358 F. Supp. at 498 n. 7, 178 USPQ 390. Thus, Frilette argues, losing parties in interference proceedings are more inclined to bring a civil action under 35 U.S.C. § 146 if broader discovery is available in such civil action.

I agree with these contentions and accordingly would hold that the district court erred in judicially imposing a good cause requirement upon discovery in patent interferences under 35 U.S.C. § 24. In 1970, Congress saw fit to

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[5] The Advisory Committee's Note concerning the 1970 change in F.R. Civ. P. 34 stated:

> "Good cause is eliminated because it has furnished an uncertain and erratic protection to the parties from whom production is sought and is now rendered unnecessary by virtue of the more specific provisions added to Rule 26(b) relating to materials assembled in preparation for trial and to experts retained or consulted by parties."

See Moore's Federal Practice, Vol. 4A, ¶ 34.01[8] 2d ed. (1972).

permit the removal of the good cause requirement from the Federal Rules of Civil Procedure to become effective, and I perceive no logical reason why courts should carve an exception to such legislative action with respect to patent interferences. The district court, in resolving Frilette's request for discovery in the instant case, should have considered the same factors that it would consider in resolving a discovery request in any other civil proceeding.

One further aspect of this case requires discussion. As stated above, the district court, in addition to requiring Frilette to show good cause, stated that the Patent Office's recent promulgation of Rule 287 rendered distinguishable the Natta case and other cases which provided for broad discovery in the federal courts under 35 U.S.C. § 24. Reasoning that the presence of Rule 287 might require a restructuring of the federal courts' role under 35 U.S.C. § 24 and enable federal courts to assume a more limited, secondary role in interference discovery matters, the district court proceeded to "scrutinize Frilette's particular discovery requests in light of the issues before the Patent Office." The district court then noted, in denying Frilette's motion, "that under Rule 287(a) and (c), Frilette's discovery directed to Kimberlin's case in chief is premature." 358 F.Supp. at 498, 178 USPQ at 390. The district court did not make clear, however, whether its denial of Frilette's motion was based solely upon Frilette's inability to show good cause or also upon the Patent Office's prior denial of Frilette's motion as premature under Rule 287 (a) and (c). Because of this uncertainty, I would remand to the district court for reconsideration of Frilette's discovery motion and, if necessary, clarification of its reasons for denial of such motion, in light of my belief that the district court erred in requiring Frilette to show good cause.

Accordingly, I would not attempt to resolve definitively in this appeal the issue of what effect Patent Office Rule

287 has upon the availability of discovery under 35 U.S.C. § 24, particularly where the Board of Patent Interferences has denied a motion under Patent Office Rule 287 requesting the same discovery.[6] I have, however, substantial doubt as to whether the presence of Rule 287 compels a narrowing of the federal court's broad role in interference discovery proceedings under 35 U.S.C. § 24. Several factors underlie this doubt. First, on its face, Rule 287 provides for only limited discovery in the Patent Office. Under Rule 287(a), discovery is available prior to the testimony period solely for the purpose of determining the matters upon which the opponent will rely, not those which might build an affirmative case for the discovering party.[7] Therefore, Rule 287 does not provide for discovery as broad in scope as the discovery which may be provided by a district court under § 24. Secondly, Congress, presumably well aware of the conflict between the availability of broad discovery under 35 U.S.C. § 24 and the traditional order of proof procedure of interference proceedings,[8] repeatedly refused

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[6] I recognize that in many cases it will be desirable for the parties to seek discovery first under Rule 287, but it is not necessary to make a definite ruling on this point in this case. See Frilette v. Kimberlin, 358 F. Supp. 493-496, 178 USPQ at 387-389 (D. Del. 1973). See also note 9, infra. Also, I believe that any discovery ruling by the Patent Office is a factor to be considered by the district court in ruling on a motion such as that presented to the district court in this case. Cf. Laveson v. Trans World Airlines, 471 F.2d 76 (3d Cir. 1972); In re Natta, 264 F.Supp. 734, 738, 153 USPQ 11, 14-15 (D. Del. 1967).

[7] While Patent Office Rule 287(c) provides that the Board of Patent Interferences may grant further discovery privileges at any time during the interference proceeding and to the full extent allowed under the Federal Rules, this power is discretionary and is not subject to interlocutory review. Moreover, Rule 287 applies only to the parties, so that no discovery of witnesses not under the control of the parties is available.

[8] The traditional procedure in the Patent Office is that the parties present evidence in the inverse order of their filing date. Allowing

to amend 35 U.S.C. § 24 to eliminate this conflict prior to the adoption of Rule 287 in June 1971.[9]

Finally, the language of 35 U.S.C. § 24 is mandatory, and it is questionable whether the Patent Office's promulgation of a narrow discovery rule can restrict the force and effect of such language. I believe that the district court should take the above factors into account in reconsidering Frilette's motion.

As a final matter, I reject the contention of appellee Kimberlin that the district court order denying Frilette's

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the senior party to present its affirmative case after the junior party presents its affirmative case is intended to preserve the senior party's presumption that he is the first inventor. The discovery mechanism of Rule 287 is apparently designed to preserve this traditional procedure of maintaining the order of presenting proof by the parties.

[9] Congress has on several occasions refused to enact bills which proposed a change in the language of 35 U.S.C. § 24 to read as follows:

> "(a) The clerk of any United States Court for the district wherein testimony is to be taken in accordance with the regulations established by the Commissioner for use in any contested case in the Patent Office shall, upon the application of any party thereto, issue a subpena for any witness residing or being within such district, commanding him to appear and testify before an officer in such district authorized to take depositions and affidavits, at the time and place stated in the subpena. The provisions of the Federal Rules of Civil Procedure relating to the attendance of witnesses and the production of douments and things shall apply to contested cases in the Patent Office insofar as consistent with such regulations.

See S. 3892, 90th Cong., 2d Sess. § 24 (1968); S. 1246, 91st Cong. 1st Sess. § 24 (1969); S. 643, 92nd Cong., 1st Sess. § 24 (1971). These bills were introduced before the Patent Office adopted Rule 287. Other bills introduced before the adoption of Rule 287 proposed no change in the language of 35 U.S.C. § 24. See S. 1042, 90th Cong., 1st Sess. § 24 (1967); S. 2597, 90th Cong., 1st Sess. § 24 (1967); S. 2756, 91st Cong., 1st Sess. § 24 (1969); cf. also S. 2504 (Committee Print), 93rd Cong., 1st Sess., A Bill for the general reform and modernization of the Patent Laws, title 35 of the United States Code at Section 23(b)(1), p. 10, Section 135(e)(3), p. 45, and Section 145 at p. 51.

discovery motion was conditional rather than final, and that it was, therefore, not an appealable final order under 28 U.S.C. § 1291(a). See Babcock & Wilcox Co. v. Foster Wheeler Corp., 415 F.2d 777, 163 USPQ 140 (3d Cir. 1969). In my view, the district court order was intended to be a final disposition of Frilette's motion for discovery.

I would vacate the May 15, 1973, district court order and remand the case to the district court for proceedings consistent with the foregoing views.

B. Duffy Case

As stated in Judge Adams' opinion, I agree that the district court did not abuse its discretion in allowing Duffy to proceed with discovery relating to whether Barnes and Preziosi filed their patent application fraudulently.

Judge Adams concurs in the statutory analysis set forth in this opinion and in the application of that analysis to the Frilette case.

Adams, *Circuit Judge,* dissenting.

The principal issue addressed on the rehearing in banc is whether we should now overrule In re Natta,[1] which decided that 35 U.S.C. § 24[2] permits the parties to an interference proceeding pending in the Patent Office to obtain discovery in the district courts under the provisions of the Federal Rules of Civil Procedure.

I concur in Judge Van Dusen's careful analysis of the language and history of section 24, which indicates that it was reasonable for this Court to conclude in Natta that the reference in section 24 to the Federal Rules was intended to include the broad discovery procedures therein. I have some additional observations, however, regarding

[1] 388 F.2d 215, 156 USPQ 289 (3d Cir. 1968).

[2] 385 U.S.C. § 24 (1954).

the respect a court should accord its earlier decisions, particularly a decision such as Natta, and regarding the practical effects that the holding announced today by the majority will have on interference litigation in the future.

I.

Section 24 was enacted in 1952. In 1968 this Court, in Natta, interpreted the intent of Congress, as expressed in the statute, as follows: "This statute manifests a clear congressional intent to make available to parties to patent interferences the broad discovery of the Federal Rules of Civil Procedure."[3] The Natta Court's construction of section 24 conformed to prior interpretations by the Courts of Appeals for the Fifth[4] and Seventh[5] Circuits and by the District Courts for the Western District of Michigan[6] and the Northern District of Oklahoma.[7] Subsequent to our decision in Natta, the same interpretation has been adopted by the Courts of Appeal for the Tenth[8] and Second[9] Circuits, and by the District Courts for the District of Columbia[10] and the District of Massachusetts.[11] And this Court has applied its Natta interpretation of the

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[3] 388 F.2d at 217, 156 USPQ at 290-291.

[4] Gladrow v. Weisz, 354 F.2d 464, 148 USPQ 110 (5th Cir. 1965).

[5] Natta v. Zletz, 379 F.2d 615, 153 USPQ 768 (7th Cir. 1967).

[6] Korman v. Shull, 184 F.Supp. 928, 125 USPQ 280 (W.D. Mich. 1960).

[7] Hogan v. Zletz, 151 USPQ 103 (D.C. N.D. Okla. 1966). See also Oehsnea v. Millis, 382 F.2d 618, 155 USPQ 195 (6th Cir. 1967).

[8] Natta v. Hogan, 392 F.2d 686, 157 USPQ 183 (10th Cir. 1968).

[9] Babcock & Wilcox Co. v. Combustion Engineering, Inc., 430 F.2d 1177, 167 USPQ 65 (2d Cir. 1968), aff'd per curiam 314 F.Supp. 235, 159 USPQ 762 (D. Conn. 1968).

[10] Lomex v. Kihara, 175 USPQ 538 (D.C. D.C. 1972).

[11] Sheehan v. Doyle, 181 USPQ 64 (D. Mass. 1973).

statute on a number of occasions.[12] Indeed, no court of appeals has adopted a narrower reading of section 24 than that set forth in Natta.

The parties to these appeals who would have us upset our decision in Natta contend that the adoption of discovery procedures by the Patent Office in 1971 necessitates a reversal of this Court's interpretation of a congressional statute enacted in 1952.

II.

The basic issue before this Court is whether an intermediate federal appellate court that has for approximately seven years adhered to one interpretation of the congressional intent embodied in section 24 may properly adopt a new interpretation of that statute because of the actions of an administrative agency and the Court's present views regarding the optimal allocation of jurisdiction in the federal system. I believe that an appropriate respect for the doctrine of stare decisis and for the separation of judicial and legislative functions should preclude such a result.

Stare decisis is one of the fundamentals of our legal system. All lawyers, I suppose, are familiar with the classic words of Lord Coke, "The knowne certaintie of the law is the safetie of all."[12a] Indeed, this aphorism is emblazoned on the walls of some of our most prestigious law schools.[13] The knowledge that a tenet of law, once decided,

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[12] See, e.g., Vogel v. Jones, 464 F.2d 573, 175 USPQ 129 (3d Cir. 1972); Babcock & Wilcox Co. v. Foster Wheeler Corp., 457 F.2d 1307, 173 USPQ 641 (3d Cir. 1972); Montecatini Edison S.p.A. v. E. I. du Pont de Nemours, 434 F.2d 70, 167 USPQ 577 (3d Cir. 1970); Babcock & Wilcox Co. v. Foster Wheeler Corp., 432 F.2d 385, 167 USPQ 65 (3d Cir. 1970); Babcock & Wilcox Co. v. Foster Wheeler Corp., 415 F.2d 777, 163 USPQ 140 (3d Cir. 1969).

[12a] Coke, Institutes 395 (12th ed. 1738) (Epilogue to Pt. 1, Bk. 3).

[13] Lord Coke's maxim is, for instance, inscribed along the ceiling

will remain constant permits the public to order their lives in reliance upon the prior decisions of the court.[14] In addition, observance of the precept of stare decisis advances the efficient administration of the judicial system. More significantly, a court's adherence to its earlier decisions encourages public confidence in the legal system by providing evidence that the court's holdings are the product of principled and carefully reasoned consideration and that the courts dispense equal treatment to all litigants similarly situated.[15] As Justice Brandeis observed, "Stare decisis is usually the wise policy, because in most matters it is more important that the applicable rule of law be settled than that it be settled right. This is commonly true even where the error is a matter of serious concern, provided correction can be had by legislation,"[16] as it can in the case before this Court.

The constitution doctrine of the separation of powers lends added significance to the principle of stare decisis in the area of statutory construction. In deciding Natta in 1968, this Court was called upon to construe the congressional intent expressed in section 24. Our interpretation then became an integral part of the statute.[17] When a court has once determined the meaning Congress intended its words to carry, the court has completed its judicial function. Absent amendment, the legislative intent is not altered by time. Therefore, excepting extraordinary circumstances,

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of the Grand Stairway of William Draper Lewis Hall of the University of Pennsylvania Law School.

[14] Hart & Sax, The Judicial Process 601.

[15] See Boys Markets v. Local 770, Retail Clerks Union, 398 U.S. 235, 257 (1970) (Black, dissenting); Helvering v. Hallock, 309 U.S. 106, 129 (1970) (dissenting opinion).

[16] Burnet v. Coronado Oil & Gas Co., 285 U.S. 393, 406 (1932) (dissenting opinion).

[17] Gulf, Colo. & Santa Fe Ry. v. Moser, 275 U.S. 133, 136 (1927).

a court, in altering its interpretation of the meaning to be derived from the words of the statute, encroaches on the power of Congress to enact or amend legislation.

> Of course, when this Court first interprets a statute, then the statute becomes what this Court has said it is. Such an initial interpretation is proper, and unavoidable * * *. The Court undertakes the task of interpretation, however, not because the Court has any special ability to fathom the intent of Congress, but rather because interpretation is unavoidable in the decision of the case before it. When the law has been settled by an earlier case, then any subsequent "reinterpretation" of the statute is gratuitous and neither more nor less than an amendment: it is no different in effect from a judicial alteration of language that Congress itself placed in the statute.[18]

If in construing a statute a court has misapprehended the intention of Congress, the error is susceptible to correction by the legislature. If this Court has failed to perceive the intent of Congress, or has interpreted a statute in such a manner as to thwart the legislative purpose, Congress may change it. "The lessons of experience are not learned by judges alone."[19] Statutory constructions are, in this respect, dissimilar from constitutional precedents, where the only alternative to overruling a judicial interpretation is the cumbersome procedure of constitutional amendment. Courts should therefore exercise greater restraint in overruling statutory as distinguished from constitutional precedents.[20]

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[18] Boys Markets, supra, 398 U.S. at 257. (Black, dissenting).

[19] Swift & Co., v. Wickham, 382 U.S. 111, 133 (Douglas, dissenting).

[20] Boys Markets, supra, 398 U.S. at 259 (Black, dissenting); 406 (1965) (Douglas dissenting); Burnet 1. Coronado Oil & Gas United Gas Improvement Co. 1. Continental Oil Co., 381 U.S. 392, Co., 285 U.S. 293, 406 (1932) (Brandeis, dissenting).

Additionally, when, as in the case before us, the allegedly erroneous statutory interpretation has been made by a court of appeals, Supreme Court review provides an additional remedy for an unsound construction.

A federal court should be particularly circumspect in setting aside its construction of a statutory provision which is still under review by Congress. In the interim since our decision in Natta, numerous unsuccessful attempts have been made in Congress to amend section 24. For example, prior to the Patent Office's promulgation of Rule 287, bills were introduced in 1968,[21] 1969[22] and 1971[23] seeking to amend the final sentence of the first paragraph of section 24 so as to provide that "the provisions of the Federal Rules of Civil Procedure relating to the attendance of witnesses and the production of documents and things shall apply to contested cases in the Patent Office *insofar as consistent with* [*Patent Office*] *regulations.*" (emphasis added) Other legislation introduced during the same period, however, proposed no changes in section 24.[24] Bills introduced since the promulgation of Rule 287 have offered a number of resolutions of the dual system of discovery available in the Patent Office and in the district courts. S. 2930[25] and H.R. 11868[26]—like the bills introduced in 1968, 1969 and 1971—provide that the Federal Rules of Civil Procedure should apply to cases in the Patent Office only "insofar as consistent with Patent Office regulations

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[21] S. 3892, 90th Cong. 2d Sess. § 24 (1968).

[22] S. 1246, 91st Cong. 1st Sess. § 24 (1969).

[23] S. 643, 92nd Cong., 1st Sess. §24 (1971).

[24] See S. 2756, 91st Cong., 1st Sess. § 24 (1969). See also S. 1042, 90th Cong., 1st Sess. § 24 (1967); S. 2597, 90th Cong., 1st Sess. §24 (1967). Both of the latter were proposed prior to our decision in Natta but subsequent to the earlier decisions, supra, to the same effect.

[25] S. 2930; 93d Cong., 1st Sess. § 24 (1973).

[26] H.R. 11868, 93d Cong., 1st Sess. § 24 (1973).

established under section 23 of this title." On the other hand, S. 1321[27] and S. 2504,[28] although limiting the district

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[27] S. 1321, 93d Cong., 1st Sess. § 23 (1973):

Sec. 23. Issue of Subpenas and Other Orders by Patent Office, Review and Enforcement.

(a) Any party of record in any Patent Office proceeding may apply at any time to the primary examiner or other presiding official for subpenas or other orders to provide discovery, testimony, or evidence, and he shall issue the same ex parte. The primary examiner or any member of the Board of Appeals may also issue such subpenas or orders on his own motion, in any proceeding. Such subpenas and orders may issue against the applicant or any person within the jurisdiction of the United States, whether or not he is a party of record.

(b)(1) The Commissioner shall establish rules for taking such discovery, testimony, and evidence. Such rules shall provide the parties of record all discovery permitted and the sanctions for noncompliance therewith prescribed in the Federal courts pursuant to the Federal Rules of Civil Procedure, as procedural necessities within the Office permit. * * *

(2) The Commissioner shall also establish rules governing inter partes proceedings by which subpoenas and orders issued pursuant to subsection (a) of this section may be sustained, quashed, or modified.

(c)(1) Agency action pursuant to subsections (a) and (b) of that section shall not be deemed final decisions or orders for the purpose of chapter 13 of this title. Judicial review of such order may be had upon review of the final decision or order in the entire proceedings * * *. Judicial review of agency action pursuant to subsections (a) or (b) of this section may also be had in the course of a civil enforcement proceeding. Such proceeding may be by way of application by any party aggrieved by refusal or failure to comply with a subpoena or order issued pursuant to subsections (a) or (b) of this section, to the United States District Court for the District of Columbia, for an order to show cause why the person refusing or failing to comply with such subpoena or order should not be commanded by the court to comply therewith.

[28] S. 2504, 93d Cong., 1st Sess. § 23 (1973):

§ 23. Issue of subpoenas and other orders by Board of Examiners-in-Chief; review and enforcement.

(a) Except as otherwise provided in section 135 of this title, any party to a proceeding before the Board of Examiners-in-Chief may apply at any time to any member of the panel for subpoenas or discovery orders to provide testimony, evidence,

court's jurisdiction in Patent Office cases, would require the Patent Office to provide discovery procedures substantially the same as those available in the district courts under Natta.

These various unsuccessful attempts to modify section 24 provide no clear signal that in Natta this Court erred in construing the legislative intent underlying that provision. Further, since some of these proposals are still under consideration by Congress, we should be wary of infringing on the authority of the legislative branch by seeking

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depositions, or other information, and such member shall issue the same ex parte. Any member of the Board of Examiners-in-Chief may also issue such subpoenas or orders on his own motion, in any proceeding. Subpoenas and orders may issue against the applicant or any person within the jurisdiction of the United States, whether or not he is a party in the proceeding.

(b)(1) The Commissioner shall establish rules for obtaining such discovery, testimony, evidence, depositions, or other information. Such rules shall provide the parties all discovery permitted, and the sanctions for noncompliance therewith prescribed, in the Federal courts pursuant to the Federal Rules of Civil Procedure, as now in force or as amended hereafter, with such different time limits as the Commissioner may by regulation prescribe. • • •

(2) The Commissioner shall also establish regulations governing proceedings by which subpoenas and orders issued pursuant to subsection (a) of this section may be sustained, quashed, or modified by the Board of Examiners-in-Chief.

(c)(1) Agency action pursuant to subsections (a) and (b) of this section shall not be deemed final decisions or orders for the purposes of chapter 13 of this title. Judicial review of orders pursuant to subsections (a) and (b) of this section may be had upon review of the final decision or order in the entire proceeding, • • • Judicial review of agency action pursuant to subsections (a) or (b) of this section may also be had in the course of a civil enforcement proceeding. Such proceeding may be by way of application by any party aggrieved by refusal or failure to comply with a subpoena or order issued, and not quashed, pursuant to subsections (a) or (b) of this section, to the United States District Court for the District of Columbia, for an order to show cause why the person refusing or failing to comply with such subpoena or order should not be commanded by the court to comply therewith. • • •

to accomplish by judicial fiat what Congress has contemplated doing, but so far has declined to do, through amendatory legislation.[29]

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[29] It might be argued that the majority's action here in overturning its own interpretation of a federal statute is similar to the Supreme Court's conduct in Boys Markets v. Local 770, Retail Clerks Union, 398 U.S. 235 (1970). However, there are two significant distinctions between the situation presently before this Court and that in Boys Markets.

First, in Boys Markets Justice Brennan reasoned that the intervening decision in Aveo Corp. v. Aero Lodge, 735, 390 U.S. 557 (1968), had undermined the Court's previous construction of the interrelationship between the Norris-LaGuardia Act and section 301(a) of the Labor-Management Relations Act. Aveo "has produced an anomalous situation which in our view makes urgent the reconsideration of Sinclair. [370 U.S. 195 (1962)] The principal effect of Aveo and Sinclair taken together is nothing less than to oust state courts of jurisdiction in § 301(a) suits where injunctive relief is sought for breach of a no-strike obligation." 398 U.S. at 244-45. Such result, Justice Brennan found, was inconsistent both with the Court's conclusion in Dowd Box, 368 U.S. 502 (1962)—that the purpose of section 301(a) was to supplement rather than to encroach upon the pre-existing jurisdiction of the state courts—and with the doctrine of the "federal policy of labor law uniformity" 398 U.S. at 245-46, expressed by the Court in Lucas Flour, 369 U.S. 95 (1962). In contrast, our previous decision in Natta has been reaffirmed rather than undercut, by our intervening decisions. Compare MacPherson v. Buick Motor Co., 217 N.Y. 382 (1916).

Second, the Supreme Court concluded that the earlier decision in Sinclair contravened one of the fundamental policies of federal labor law: "Thus because Sinclair, in the affirmative of Aveo, casts serious doubt upon the effective enforcement of a vital element of stable labor-management relations—arbitration agreements with their attendant no-strike obligations—we conclude that Sinclair does not make a viable contribution to federal labor policy." 298 U.S. at 249. Our decision in Natta, on the other hand, does not conflict with any such overriding policy of federal law.

III.

The social benefits derived from adherence to the doctrine of stare decisis and from the separation of the judicial and legislative powers mandate that a court cast aside its prior interpretation of statutory language only in extraordinary circumstances. In the present case, Judge Van Dusen's comprehensive discussion of the legislative history demonstrates that the Natta court's interpretation was certainly not unreasonable. In addition, the Natta opinion has not been undercut by subsequent decisions. Nor does Natta conflict with any previous, overriding, more fundamental policy of federal law.

The majority opinion in this case offers two justifications for overruling Natta. The first is the Patent Offices adoption of a rule providing limited discovery in the Patent Office. Nothing in section 24, however, makes the district court's jurisdiction dependent on the failure of the Patent Office to adopt discovery procedures. Moreover, the promulgation of a rule by an administrative agency subsequent to the enactment of section 24 could hardly alter the legislative intent embodied in the statute. Judicial estimation of the legislative purpose should not turn on the vagaries of an administrative agency in first rejecting, then accepting, and possibly again rejecting a procedural device. In addition, the statutory grant of authority under which the Patent Office adopted Rule 287[30] predates this Court's decision in Natta. Recent recognition by the Patent Office of the practice of discovery, therefore, would not seem to justify a reversal of this Court's established reading of section 24.

The second justification advanced by the majority for redefining the congressional will underlying section 24 is what the majority regards as an undesirable burden on judicial administration brought about by broader discov-

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[30] 35 U.S.C. § 23 (1954).

ery. The majority asserts that allowing Patent Office litigants discovery in the district courts increases the caseload in those courts. Also, since any discovery order becomes an appealable decision,[21] the courts of appeals are confronted with a spate of questions which in ordinary federal litigation would be considered interlocutory and therefore not subject to appeal. Furthermore, the majority states that there is no centralized control over the discovery proceedings, since an independent action may be brought in each district in which discoverable evidence is located. Concededly the above consequences flow in some degree from section 24, as interpreted in Natta. But jurisdiction in the federal courts is controlled by Congress, not by the judiciary. Courts may not refuse to exercise jurisdiction granted by statute even though such exercise might place additional burdens on the courts, and even though the courts may not agree with the procedures thus sanctioned.

Assuming, arguendo, that the inefficiencies generated by the Natta construction of section 24 exists and that they are as pernicious as they are portrayed by the majority, they may be remedied by Congress. The judiciary is not alone in possessing the insight to recognize impediments to efficient judicial administration. Also, the judicial branch is not as well equipped as the legislature to investigate the problem and to evaluate the potential resolutions.

The majority has apparently concluded that since some modicum of discovery is now available in the administrative agency, the federal judicial system would be operated most efficiently by removing, for all practical purposes, patent discovery proceedings from the district courts. But the majority's conclusion rests solely on its own theorization. The Court has no empirical evidence regarding the extent of the saving of judicial resources which could be achieved without discarding Natta. For instance, the courts

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[21] Babcock & Wilcox Co. v. Foster Wheeler Corp., 415 F.2d 777, 163 USPQ 140 (3d Cir. 1969).

may be able to reduce the volume of patent discovery litigation by clearly indicating that in the exercise of their discretion the district courts will refuse to grant discovery which is or will be available in the Patent Office unless the party seeking discovery can show substantial need for the discovery in the district court rather than in the Patent Office.

Nor does the record contain any evidence whether, accepting the Natta construction, discovery litigation could be reduced by imposing costs or other sanctions on recalcitrant parties. In addition, litigants dissatisfied with the outcome of interference litigation in the Patent Office may initiate a trial de novo in the district court,[22] where the full discovery provisions of the Federal Rules will, of course, be applicable. There is, however, no data available regarding the relative impact the majority's holding will have in reducing the judicial resources devoted to discovery in Patent Office cases as compared with the increase in district court time which will be expended on the de novo trial of interferences. Also, this Court does not possess the means to assess the extent to which this construction of the discovery available will alter the outcome of interference litigation.

Thus, neither the adoption of discovery procedures by the Patent Office nor the prospect of relief from the burden placed on the courts by the necessity of deciding discovery issues in administrative interference proceedings would appear to vindicate a reconsideration of the interpretation of section 24 that until today had been accepted by every Court of Appeals that had addressed the subject.

IV.

Even were the proposed justifications for reconsidering Natta more substantial, I would pause before repudiating

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[22] 35 U.S.C. § 146 (1954).

that decision because of the effect the majority's ruling will have on the availability of discovery in proceedings in the Patent Office. The essence of the discovery provided by Rule 287(a) is that each party must provide his adversary with a copy of each document in his possession on which he intends to rely in presenting his case, and reasonable access to each "thing" on which he intends to rely, as well as a list of the witnesses he intends to call. Under 287(c) during the period for the preparation of testimony or thereafter a party may, upon showing "that the interest of justice so requires," obtain additional discovery within the scope of the discovery rules of the Federal Rules of Civil Procedure, if the materials sought are within the control of the adverse party.

These Patent Office discovery procedures are in several notable respects more restricted than those available under the Federal Rules. First, the automatic discovery—discovery of right—applies only to that evidence on which the movants adversary intends to rely. There is no discovery of materials which may bolster the movant's own case except at the discretion of the Board of Patent Interferences. In contrast, the Federal Rules make discovery of both supportive and detrimental evidence equally available.[33]

Second, in order to obtain discretionary discovery a party must demonstrate that "the interest of justice * * * requires" that he have access to the material. On the other hand, the Federal Rules require only that the material sought be "reasonably calculated to lead to the discovery of admissible evidence."[34] The standard that "the interest of justice so requires" appears to be a *more demanding test* than the requirement of "good cause" formerly

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[33] F.R.C.P. 26(b)(1).

[34] F.R.C.P. 26(b)(1).

contained in Rule 34,[35] and even stricter than the requisite showing of "substantial need" for the disclosure of "work product."[36]

Third, the *scope of the materials* which Rule 287 authorizes the Board of Patent Interferences to order divulged may not be as broad as that available under section 24, as interpreted by Natta. It is doubtful whether Rule 287 provides for discovery relating to issues beyond the merits of the interference proceeding itself. In Duffy v. Barnes, for instance, the district court concluded that Rule 287 did not authorize discovery pertaining to existence of fraud in the filing of a patent application since a motion to have the application stricken pursuant to Patent Office Rule 56[37] is not within the ambit of an interference proceeding. At least under the trial judges view of the scope of Rule 287, therefore, the majority's holding today will foreclose a party from obtaining discovery regarding the existence of fraud in the filing of a patent application.

Fourth, Rule 287 is more restrictive than the Federal Rules as to the *time* when discovery may be obtained. Rule 287(a) does not require the junior party to furnish the senior party with the specified discovery materials until after the close of the period set by the Board of Interferences for the consideration of motions. Then the senior party need not provide his materials to the junior party until the junior party has completed taking his testimony-in-chief.

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[35] See Advisory Committee Notes to the 1970 Amendments to Rule 34.

[36] F.R.C.P. 26(b)(3).

[37] 37 C.F.R. § 1.56:

"Improper applications. Any application signed or sworn in blank, or without actual inspection by the applicant, and any application altered or partly filled in after being signed or sworn to, and also any application fraudulently filed or in connection with which any fraud is practiced or attempted on the Patent Office, may be stricken from the files."

It is obvious, therefore, that the nondiscretionary discovery under 287(a) will be of no use to the junior party in preparing his case-in-chief. Also, discovery may not be obtained under 287(c) until after the close of the motions period. Under the majority's reading of section 24, therefore, which would confine the parties to discovery through the administrative proceeding, there is no device by which a litigant may obtain discovery of evidence which is expected to become unavailable before the commencement of discovery in the Patent Office under Rule 287. Nor may a party obtain discovery earlier than 287 allows even though such accelerated discovery would materially accelerate termination of the litigation.

Fifth, Rule 287 provides only for discovery of information that is under the control of one of the parties. Thus the majority's reading of section 24 deprives litigants of the benefit of pretrial disclosure of relevant information that may be in the hands of *non-parties.*

Aside from the much narrower scope given discovery by the majority's ruling, another serious defect is apparent. In overruling Natta, the majority rejects the construction of section 24 which, as previously noted, has been accepted by every court of appeals that has considered the question. Therefore the extent of discovery available to Patent Office litigants will hereafter depend upon the fortunity of the location of the evidence sought to be discovered, since only within the Third Circuit will discovery be confined to the limited discovery available administratively. This lack of homogeneity among the courts of appeal may result in serious injustice where disclosure of one party's evidence is controlled by the law of this Circuit, while divulgence of that of the adversary party is governed by the decisions of another Circuit.

V.

Therefore, on the basis of the considerations set forth above and the statutory interpretation explicated by Judge

Van Dusen, I would adhere to the interpretation of section 24 propounded in Natta. There remains, therefore, only the application of that construction of the statute to the facts of these cases.

I concur in Judge Van Dusen's discussion of the proper resolution of Frilette v. Kimberlin. In view of the majority's holding today, an extensive discussion of how I would resolve Duffy under this Court's previous decision in Natta would serve no useful purpose. Suffice it to say therefore, that I find no abuse of discretion[38] by the district court in allowing Duffy to proceed with discovery related to whether Barnes and Preziosi filed their patent application fraudulently.[39]

Judge Van Dusen concurs in this opinion.

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[38] In Montecatini Edison v. E. I. du Pont de Nemours & Co., 434 F.2d 70, 72, 167 USPQ 577, 578-579 (3d Cir. 1970), this Court ruled that on review of discovery orders under section 24, the district court's actions should be tested against the standard of abuse of discretion.

[39] Three factors provide a basis for the district court's decision permitting discovery limited to the issue of fraud in the filing of the application. First, there is serious question whether the materials in question may be obtained through discovery in the Patent Office, because of the strictures imposed on such discovery by Rule 287. Second, the requested discovery, if available in the Patent Office at any time, could not have been obtained under Rule 287 at the time Judge Coolahan permitted such discovery in the district court, since the discovery period in the Patent Office had not commenced. Third, it was possible that such earlier discovery would have led to a measurable advance of the litigation and, conceivably, to its prompt termination.

Two other considerations indicate that in some circumstances the refusal of discovery by the district court might well be warranted first, the inconvenience occasioned by the possibility of discovery conducted simultaneously before two tribunals, and second, the potentially disruptive impact of such proceedings on the methods adopted by the Patent Office for disposition of controversies before it. However, the district court's conclusion that, in this case, the factors favoring a grant of discovery outweigh those suggesting the contrary result is not, in my judgment, so clearly improper as to constitute an abuse of discretion.

APPENDIX C

Amendatory Orders of the Court of Appeals

January 27, 1975

UNITED STATES COURT OF APPEALS
FOR THE THIRD CIRCUIT

No. 73-1622

VINCENT J. FRILETTE, AND PAUL R. WEISZ,
Movants

CHARLES N. KIMBERLIN, JR. AND ELROY M. GLADROW,
Opposers

VINCENT J. FRILETTE AND PAUL R. WEISZ,
Appellants

* * *

Nos. 73-1635 and 73-1695

RICHARD J. DUFFY,
Plaintiff-Appellee

v.

GERALD BARNES, JOSEPH R. PREZIOSI, ET AL.,
Defendants-Appellants

Before: SEITZ, *Chief Judge*, VAN DUSEN, ALDISERT, ADAMS, GIBBONS, ROSENN, HUNTER, WEIS and GARTH, *Circuit Judges*.

ORDER

It is ORDERED that the slip opinion heretofore filed is amended as follows:

The first three sentences in the third full paragraph on page 4 are amended to read as follows:

> In the preliminary stages of the *Duffy* case, the junior party, Barnes, et al., filed a motion [1] supported by affidavits. The motion was denied by the patent exam-

iner, and in due course the junior party sought relief from the Commissioner of Patents. In the interim, the senior party, Duffy, applied to the district court in New Jersey . . .

Footnote 1 shall read:

> The motion sought to amend the original application for the patent, which had listed Barnes and Preziosi as co-inventors, by deleting the name of Barnes. The purpose of the motion was to make the application for the patent consistent with the preliminary statement of the junior party which had shown Preziosi as the sole inventor.

Footnote 1 at the bottom of page 4 will be renumbered to be footnote 1a and is amended to read as follows:

> The court's order was handed down on July 24, 1973, and an appeal was promptly filed in this court at No. 73-1635. A request for stay was filed on July 25, 1973 and denied on July 30, 1973. A second appeal was filed from the district court's order of August 6, 1973 at No. 73-1695 together with a motion for stay and for clarification which was denied on August 22, 1973. Yet a third motion was filed in this court on October 12, 1973, seeking impoundment of or prohibition against the use of evidence obtained by discovery. After argument, the motion was denied. Cross motions by Duffy for attorneys' fees and dismissal of the appeals were referred to the panel to which the appeals were to be assigned.

The last paragraph of the majority opinion on page 13, beginning with "The order in . . ." is deleted, and the following paragraphs substituted therefor:

> The request by the junior party, Barnes, to impound or enjoin the use of the evidence obtained by discovery will be denied. At this stage, it is not practicable to attempt to unscramble the eggs. The question of whether the evidence is admissible in proceedings in the Patent Office or other forums is a matter for decision by the

body which might be asked to consider the material. We express no views on admissibility.

The motions for attorneys' fees and for dismissal of the appeals by the senior party, Duffy, will be denied.

The order of the district court in *Frilette* v. *Kimberlin* will be affirmed.

In *Duffy* v. *Barnes*, the orders of the district court of July 24, 1973 at No. 73-1635 and of August 6, 1973 at No. 73-1695 will be reversed, each party to bear his own costs.

By The Court,

/s/ Joseph P. Weis, Jr.
Joseph P. Weis, Jr.
Circuit Judge

DATED: January 27, 1975

UNITED STATES COURT OF APPEALS
FOR THE THIRD CIRCUIT

No. 73-1622

VINCENT J. FRILETTE, AND PAUL R. WEISZ,
Movants

CHARLES N. KIMBERLIN, JR. AND ELROY M. GLADROW,
Opposers

VINCENT J. FRILETTE AND PAUL R. WEISZ,
Appellants

Present: SEITZ, *Chief Judge* and VAN DUSEN, ALDISERT, ADAMS, GIBBONS, ROSENN, HUNTER, WEIS and GARTH, *Circuit Judges.*

ORDER

Upon consideration of the Motion to Amend Opinion and Judgment filed by appellants Vincent J. Frilette and Paul B. Weisz, it is

ORDERED that the Motion be and the same is hereby granted. The award of costs against appellants is vacated and each party will bear his own costs.

BY THE COURT,

/s/ JOSEPH P. WEIS, JR.
Joseph P. Weis, Jr.
Circuit Judge

DATED: February 19, 1975

UNITED STATES COURT OF APPEALS
FOR THE THIRD CIRCUIT

No. 73-1622

VINCENT J. FRILETTE, AND PAUL R. WEISZ,
Movants

* * *

In the United States Patent Office
Before the Board of Patent Interferences

Interference No. 97,481

* * *

CHARLES N. KIMBERLIN, JR. AND ELROY M. GLADROW,
Opposers

VINCENT J. FRILETTE AND PAUL R. WEISZ,
Appellants

(D.C. Miscellaneous No. 83)

ON APPEAL FROM THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

Present: SEITZ, *Chief Judge* and VAN DUSEN, ALDISERT, ADAMS, GIBBONS, ROSENN, HUNTER, WEIS and GARTH, *Circuit Judges.*

AMENDED JUDGMENT ON REHEARING

This cause came on to be heard on the record from the United States District Court for the District of Delaware and was reargued by counsel.

On consideration whereof, it is now here ordered and adjudged by this Court that the judgment of the said District Court, entered May 15, 1973, be, and the same is hereby affirmed. Each party shall bear his own costs.

ATTEST:
/s/ ILLEGIBLE
Clerk

February 19, 1975

APPENDIX D

Opinion of the District Court

UNITED STATES DISTRICT COURT,
D. DELAWARE

FRILETTE ET AL., *Movant*,

v.

KIMBERLIN ET AL.

MISC. NO. 83.

May 15, 1973.

OPINION AND ORDER

CALEB M. WRIGHT, *Chief Judge.*

This is a motion to compel discovery under Rule 37 F.R.Civ.P. filed pursuant to 35 U.S.C. § 24 authorizing discovery in Patent Office interferences matters by resort to the Federal Courts and the utilization of the Federal Rules of Civil Procedure.

The interference is between the Kimberlin U.S. reissue Patent No. Re. 26,188, filed August 24, 1962 claiming a priority date of the original application filed February 5, 1957, and the Frilette application No. 763,433 filed September 26, 1968. The real parties in interest are, Mobil Oil Corporation (Mobil), the assignee of Frilette, and Esso Research and Engineering Company (Esso), the assignee of Kimberlin.

This is a two party interference in which Frilette has been declared the junior party and Kimberlin has been declared the senior party. Frilette seeks an order compelling Kimberlin to designate certain witnesses under F.R.C.P. 30(b)(6) to answer certain interrogatories under F.R.C.P. 33, to produce documents under F.R.C.P. 34, and to admit

certain facts under F.R.C.P. 36. The interference is presently in the preparation for testimony stage prior to the commencement of the junior party's taking of testimony. See Patent Office Rule 251(a).

Prior to the initiation of the proceeding in this Court, Frilette filed a motion for discovery with the Board of Interferences under Patent Rule 287(c) seeking substantially the same discovery requested here. The Board of Interferences denied the motion on the grounds that the request was premature since the time had not elapsed for Kimberlin to make service of the documents and lists upon which it would rely as the factual basis for its case in chief. As additional basis for its refusal the Board noted, that as to matters ancillary to priority, Frilette had failed to file any motions raising these ancillary issues under Patent Rule 231 and that its request for discovery on these issues was too speculative, broad and indefinite to constitute an adequate basis for granting discovery.

Frilette argues that the Board of Interferences' denial of its discovery motion clearly indicates the ineffectiveness of Rule 287(c) as a mechanism to afford the type of broad discovery permitted by 35 U.S.C. § 24 and the Federal Rules of Civil Procedure. In re Natta, 388 F.2d 215, 217 (3rd Cir. 1968). See also Babcock & Wilcox v. Foster Wheeler Corp., 432 F.2d 335 (3rd Cir. 1970); Babcock & Wilcox Co. v. Combustion Engineering, Inc., 314 F.Supp. 235 (D. Conn. 1968), aff. per curiam 430 F.2d 1177 (2nd Cir. 1968). Moreover, Frilette asserts that under § 24 it is not limited by the Patent Office rules of admissibility, In re Natta, supra, or rules governing the time and order of the presentation of testimony, Babcock & Wilcox v. Combustion Engineering, Inc., supra.

Kimberlin, in opposition takes the position that the introduction of a discovery procedure in the Patent Office eliminated much of the necessity for federal district courts to intervene in discovery, that, by Frilette's own admission,

many of the discovery requests are based on mere conjecture, speculation and hope that it might find some evidence to support several potential defenses in the interference, that the ancillary matters sought to be examined into should have been raised by motion under Patent Office Rule 231 and finally, that certain of the matters to be pursued if the motion is granted e. g. the sufficiency of the reissue oath, are matters for ex parte consideration and cannot be raised in the interference.

Frilette has correctly characterized the previous cases ruling on the scope of 35 U.S.C. § 24 as holding that the statute was intended to provide broad discovery procedures through federal district courts. However, the cases relied on by Frilette were decided prior to two occurrences which render them distinguishable. First, the In re Natta, cases, supra, precede the 1970 amendments to the Federal Rules of Civil Procedure which eliminated the good cause requirement as a prerequisite to the grant of discovery under Rule 34 F.R.C.P. In fact, several of the cases granting broad discovery specifically cite the good cause requirement as a factor which will guarantee against permitting meritless discovery. See Babcock & Wilcox Co. v. Foster Wheeler Corp., supra, 432 F.2d at 388; Babcock & Wilcox Co. v. Combustion Engineering Inc., supra, 314 F.Supp. at 237; In re Natta, supra; International Business Machines Corp. v. Sperry Rand Corp., 44 F.R.D. 7 (D.Del.1967); Korman v. Shull, 184 F.Supp. 928 (W.D.Mich.1960). In one of the more frequently cited cases allowing broad discovery under 35 U.S.C. § 24, Judge Zampano states,

> "This is not to say, however, that an automatic and indiscriminate inspection of the senior party's file is authorized. The requirements of good cause, relevance, reasonable designation of [the] documents, and the principles of privilege were designed to prevent the abuses (the senior party) suggests." Babcock & Wilcox Co. v. Combustion Engineering Inc., 314 F.Supp. supra at 237.

It does not appear that the amendments to the F.R.C.P. deleting the good cause requirement in many areas of discovery were undertaken after any specific analysis of their concomitant effect on 35 U.S.C. § 24 and discovery proceedings ancillary to patent interferences. Since the good cause requirement was apparently a factor in the federal courts' willingness to interpret § 24 broadly, this Court is unable to conclude that § 24 would have received a similar construction absent this safeguard. In such circumstances, it would not be unreasonable to continue to impose a good cause requirement under 35 U.S.C. § 24. Second, and more importantly, is the Patent Office's introduction of the discovery provisions of Rule 287. The absence of any discovery mechanism in the Patent Office has frequently been cited as a factor mandating a broad reading of 35 U.S.C. § 24 and necessitating the assumption of jurisdiction over interference discovery by the federal courts. See Babcock & Wilcox v. Foster Wheeler Corp., supra, 432 F.2d at 387; see also Campbell and Johnson v. Gilby, Hoberg and Phibbs, 146 U.S.P.Q. 723, 725 (P.O. Bd.Intfs. 1965). This may also have been the element which persuaded federal courts to refuse in any way to attempt to tailor the § 24 discovery procedures to the Patent Office's interference time schedule.

[1, 2] The recently adopted Patent Office discovery Rule affords each party preliminary access to his adversary's documentary and testimonial evidence, Rule 287(a)(1),[1]

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[1] 287 Discovery.

(a)(1) Each party who expects to take testimony must serve on each opposing party who requests service the following:

(i) A copy of each document in his possession, custody, or control and upon which he intends to rely.

(ii) A list of and a proffer of reasonable access to things in his possession, custody, or control and upon which he intends to rely, and

(iii) A list giving the names and addresses of all persons whom he intends to call as witnesses and indicating the relationship of each person to the invention in issue.

and creates a mechanism for further discovery of matters within the control of a party which the Board of Interferences deems to be relevant to the issue of priority, Rule 287(c).[2] The standards enunciated in Rule 287(c) and Rule 243 appear to reflect the Patent Office's efforts to construct a discovery process which embodies the good cause requirement cited initially by the courts in the In re Natta cases. Subsequent to the issuance of this rule, at least one federal judge has indicated that some reshaping of the federal court's role under 35 U.S.C. § 24 might be appropriate. See Babcock & Wilcox Co. v. Foster Wheeler Corp., 173 U.S.P.Q. 480 (D.N.J.1972).[3] While a federal court cannot abrogate its responsibility to assume jurisdiction under 35 U.S.C. § 24, it must not blind itself to the ancillary, supportive role, it is designed to fulfill in interference matters. Until the Patent Office has had a reasonable opportunity to implement its discovery procedures and has demonstrated the parameters within which they will be administered, the courts are in no position to evaluate the potential efficacy

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[2] (c) Upon motion (rule 243) brought by a party during the period for preparation for testimony, or thereafter as authorized under rule 245, and upon a showing that the interest of justice so requires, the Board of Patent Interferences may order additional discovery as to matters under the control of a party within the scope of the discovery rules of the Federal Rules of Civil Procedure, specifying the terms and conditions of such additional discovery. An order by the Board granting or denying a motion under this paragraph shall not be subject to review prior to a decision awarding priority.

[3] After a detailed analysis of the history of 35 U.S.C. § 24 and the adoption of Rule 287, Judge Coolahan states,

> "... If the interference parties are permitted to seek broader discovery before the district court at any stage of the proceedings, the Patent Office Rules of Practice are reduced to a nullity. This is an unfortunate but unnecessary consequence of dual subject matter jurisdiction in patent interference discovery proceedings. ... The parties should be given every encouragement to seek discovery, at least in the first instance, before the Board of Patent Interferences." 173 U.S.P.Q. at 483 (footnote omitted).

of the procedures and the possibility that the courts will be able to assume a secondary role in discovery. In light of these general considerations, the Court must scrutinize Frilette's particular discovery requests in light of the issues before the Patent Office.

The subject matter of this interference is a commercial process for "cracking" large hydrocarbon macromolecules of petroleum into smaller molecules of gasoline and other useful petroleum products.[4] The process involves utilization of a crystalline alumino-silicate catalyst, "Zeolite" or "molecular sieve," which contains a network of highly uniform pores into which the petroleum macromolecules enter, are cracked, and through which the reaction products leave the crystalline structure. This particular process employs a catalyst with pores of between 6 and 15 Angstroms (A°) in diameter. The instant interference is one of several interferences between Esso and Mobil, the real parties in interest by reason of their ownership of or licenses for the several patent and patent applications involved, concerning various aspects of the catalytic conversion process for the reduction of petroleum macromolecules with a crystalline molecular seive zeolite type cracking device.[5]

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[4] The following count is exemplary of the eight counts involved in this interference.

Count 1 A hydrocarbon conversion process which comprises contacting a hydrocarbon fluid in a conversion zone at an elevated temperature with a crystalline metallic alumino-silicate catalyst having uniform pore openings between about 6 and about 15 Angstrom units, said catalyst having been prepared by base exchange of the sodium form of the crystalline alumino-silicate with a cation to substantially reduce its sodium content and thus improve its catalytic ability for carrying out said conversion, and recovering a converted hydrocarbon product having a molecular weight no higher than said first-named hydrocarbon fluid.

[5] In addition to the interference herein, Esso and Mobil were in Interference 92,280, declared October 5, 1961, involving a crystal-

Frilette's discovery requests are directed to several areas: 1. facts relating to the Kimberlin reissue oath and the patentee's compliance with the reissue statute; 2. matters relating to the meaning of the terms of the interference counts; 3. facts relating to the Kimberlin disclaimer of a portion of its disclosure with respect to pore size of its catalyst; and 4. matters relating to issues which are ancillary to priority, e. g. fraud, misjoinder of inventors, and lack of originality.

[3] Through its requests, Frilette is attempting to utilize the panoply of discovery mechanisms to examine its opponent's entire case from conception to the issuance of its patent in an effort to glean some facts or materials which will in some manner weaken or defeat Kimberlin's claim of priority. By its counsel's representation, Frilette has made requests concerning issues ancillary to priority on the speculation that some pertinent evidence might be uncovered.[6] Frilette has been in several previous interferences raising the subject matter presented in this interference or

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line metallic alumino-silicate catalyst with pores of 6 to 15 A° in diameter as the sole catalytic agent. (The instant interference evidently concerns a metallic alumino-silicate which has had its sodium content substantially removed to improve its catalystic propensities.)

The companies were also in Interference 93,040 concerning a similar molecular sieve catalyst with pores of 5A° for cracking paraffins to olefins; Interference 93,592, involving a cracking process using a crystalline alumino-silicate base molecular sieve with pores to 6 to 15° which had other catalytic materials deposited on it; and Interference 95,142, involving in part a cracking process using the crystalline alumino-silicate molecular sieve with an added catalyst introduced into the zeolite structure.

[6] Counsel for Frilette, Mr. Werbow made the following statements regarding the status of Frilette's knowledge on the issue of fraud and the discovery requests directed to that issue: "We don't allege it [fraud], we don't know it, but it certainly could lead to it, and we think we are entitled to that area." (Tr. 17). This statement is typical of those evincing the status of Frilette's knowledge on the various ancillary matters.

subject matter which is closely related. It has had considerable access to Kimberlin's numerous patent applications and perhaps to other materials, yet it is unable to assert a single fact which might support a contention of fraud, lack of originality, etc. In addition, it has not raised any of its ancillary issues in the requisite Rule 231 motions. Therefore, there is a strong possibility that the Board of Interferences would refuse to consider these issues absent some showing by Frilette to justify its delay. In such circumstances, especially when the ancillary matters would be immaterial under Patent Office procedure as the interference presently stands, Frilette has made neither a showing of good cause nor a demonstration of any reason which would persuade the Court that the discovery requests relating to ancillary matters should be granted.[7]

[4] In addition, the Court agrees that under Rule 287(a) and (c), Frilette's discovery directed to Kimberlin's case in chief is premature. Until the lists and documents are served as required by Rule 287(a), the Patent Office and the Court have no way of ascertaining the necessity for additional discovery in these areas. This Court is of the

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[7] The Court is mindful of the fact that on an appeal to the district court from a decision by the Board of Patent Interferences, the movant may be entitled to broad discovery under the Federal Rules without any showing of good cause or other particular reason for the requested discovery. Moreover, the Court would undoubtedly consider any relevant matters which had not been presented to the Patent Office because subsequently developed evidence was not available during the initial proceedings.

While it might be more desirable that all potentially relevant evidence and issues be pursued so that the Board of Interferences, the primary examiner and/or the Commissioner are exposed to all such material, the Court cannot dictate what the Patent Office will or will not consider or how it will implement its rules. In re Decision Dated August 12, 1968, 160 U.S.P.Q. 154 (Comm. of Patents). Since the Court's role is ancillary at this stage, it can best accomplish its role by not precipitously entering the fray until it is better informed as to the issues and procedures which will be pertinent in the Patent Office.

opinion that it should exercise its discretion and deny the discovery requests relating to Kimberlin's case at least until the Rule 287(a) exchange mechanism has functioned, and the parties are apprised of their adversary's intentions. This recognition and observance of the Patent Office's rules and time schedule will provide an opportunity for an analysis of the Rule 287 procedure, see Babcock & Wilcox Co. v. Foster Wheeler Corp., 173 U.S.P.Q. 480, supra, and give the court an indication of the necessity or desirability for a restructuring of its role and the standards employed under 35 U.S.C. § 24. See also Babcock & Wilcox Co. v. Foster Wheeler Corp., 163 U.S.P.Q. 140, 141 (3rd Cir. 1969) (Freedman, J. concurring).

For the reasons stated above, the Court will deny Frilette's motion for an order to compel discovery.

APPENDIX E

Opinion of the Board of Patent Interferences

January 17, 1973

IN THE UNITED STATES PATENT OFFICE
BEFORE THE BOARD OF PATENT INTERFERENCES

Patent Interference No. 97,481

FRILETTE *et al*

v.

KIMBERLIN *et al.*

DECISION

Frilette *et al.* filed a motion under Rule 287(c) on December 7, 1972. Kimberlin *et al.* filed an opposition to the motion.

Since the time for service of documents and lists by Kimberlin *et al.*, the senior party, under Rule 287(a) has not closed and in view of the fact that it is therefore not known what documents and lists will be served, if any, the request under Rule 287(c) for *additional* discovery is premature and could be dismissed on this ground alone. It is further noted that the requested discovery relates to certain matters asserted to be "ancillary" to priority. The right of a party to make the count of the interference, etc. are matters determined from the record itself and information derived by the requested discovery would have no bearing on such matters. Further these matters must be raised by appropriate motions under Rule 231, whereas Frilette *et al.* brought no motion with respect to several matters now urged to be ancillary.

The request for additional discovery relating to alleged fraud is speculative and too broad and indefinite and thus furnishes no basis for granting such motion. Similarly the

motion with respect to the alleged misjoinder of inventors is also speculative and affords no basis for granting the motion. The motion with respect to originality is also speculative and as the burden of establishing priority of invention rests upon the party making the charge of originality, this matter likewise does not constitute a basis for discovery. Merely listing matters alleged to be ancillary does not constitute a showing why the requested discovery is required in the interest of justice.

For the above reasons the Frilette *et al.* motion for additional discovery is denied.

BOARD OF PATENT INTERFERENCES

/s/ JAMES S. BAILEY
James S. Bailey
Examiner of Interferences

/s/ STEPHEN W. CAPELLI
Stephen W. Capelli
Examiner of Interferences

/s/ L. H. GASTON
Leslie H. Gaston
Examiner of Interferences

APR 24 1975

IN THE

Supreme Court of the United States

OCTOBER TERM

No. 74-1156

VINCENT J. FRILETTE, ET AL.,
Petitioners,

vs.

CHARLES N. KIMBERLIN, JR., ET AL.,
Respondents.

RESPONDENTS' BRIEF IN OPPOSITION TO PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE THIRD CIRCUIT

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IN THE

Supreme Court of the United States

OCTOBER TERM, 1974

No. 74-1156

VINCENT J. FRILETTE, ET AL.,
Petitioners,

vs.

CHARLES N. KIMBERLIN, JR., ET AL.,
Respondents.

RESPONDENTS' BRIEF IN OPPOSITION TO PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE THIRD CIRCUIT

Preliminary Statement

Petitioners seek review of a ruling denying discovery in an ancillary proceeding in the district court under 35 U.S.C. § 24 in connection with a patent interference presently pending in the Patent Office.

The extensive discovery sought by petitioners involved F.R.Civ.P., Rule 33, (interrogatories); Rule 30(b)(6), (production of witnesses for examination); Rule 34 (production of documents); and Rule 36 (request for admissions). The District Court denied petitioners' motion seeking the above discovery under Rule 37, F.R.Civ.P.

Petitioners took an appeal from this order to the Court of Appeals for the Third Circuit. That court, in considering the appeal, took the occasion *sua sponte* to consolidate this suit with the suit of *Duffy* v. *Barnes et al.* (No. 74-

1200 presently pending before this Court), and considered them *en banc* because they raised a common question of law, namely, whether the majority of a panel of that court had, in a *dictum* holding, properly defined the scope of discovery permissible under 35 U.S.C. § 24 in *In re Natta,* 388 F.2d 215 (3rd Cir. 1968). The Third Circuit overruled the majority decision in *In re Natta,* adopted the dissenting judge's interpretation of the statute and affirmed the district court's denial of discovery in this case and overruled the allowance of discovery in *Duffy* v. *Barnes et al.*

Summary of the Argument

Respondents believe that the decision of the court below does not present an issue for review by this Court for the following reasons:

a) There does not exist any real conflict between the circuit courts over the construction of 35 U.S.C. § 24;

b) The decision below gave full consideration to the issues and it was manifestly correct; and

c) This case does not involve an important question of law which would substantially affect the rights of the public.

The First Circuit Has Recently Adopted And Followed The Decision Of The Third Circuit In Frilette Below

It is significant to this Court's consideration of the petition to note that, on March 31, 1975, the first appellate decision to be rendered on the question of the scope of discovery in ancillary proceedings in the federal courts under 35 U.S.C. § 24 since the decision of the Third Circuit for which petitioners seek review, has adopted in all respects and followed the Third Circuit's position on the question. This appellate decision, *Sheehan* v. *Doyle et al.,* —F.2d— (1st Cir. Doc. No. 74-1318, March 31, 1975) has been re-

printed in its entirety in the Addendum annexed hereto. The position of the Court of Appeals for the First Circuit is succinctly summed up at pp. A6-A7 as follows:

> "We believe that the broad reading which courts have given section 24 over recent years goes beyond what Congress could reasonably have had in mind. The unfortunate effect is to generate self-contained discovery proceedings out of joint with the administrative proceeding to which, ostensibly, they are linked. The arguments and analysis, which we adopt and need not repeat, are well set forth in Judge Seitz's dissent in *In re Natta* and in *Frilette*. We agree that section 24 is simply a provision giving teeth, through the courts' subpoena powers, to authority conferred upon the Commissioner of Patents....
>
> "Our decision does not have the effect of precluding broad-based Federal Rules discovery in patent interferences to the extent permitted by the Commissioner, whose rules presently allow such discovery 'if justice so requires'. *See* note 1 *supra*. Judicial subpoenas that may appropriately aid in any such authorized discovery, as well as to obtain testimony and evidence for use in the proceeding in progress, remain available. Our decision merely precludes use of federal courts as alternative forums of first resort rather than as forums acting strictly in aid of the primary proceeding."

Background Of The Frilette Decision

The Third Circuit perceived error in its original opinion not only because it was inconsistent with the norms for statutory interpretation but found confirmance of its re-examination in the incongrous and undesirable results of the application of its first interpretation, results inconsistent with special issues on which jurisdiction in an interference is founded. In addition, the changes which

had since taken place both in the Federal Rules of Civil Procedure and the Patent Office Rules with respect to discovery in patent interferences made it clear that the earlier decision had not been based on sound grounds. The Third Circuit's decision overruling *Natta*, which it held "erroneously gave a broad interpretation of 35 U.S.C. § 24", was intended to correct the error which had been highlighted by these undesirable results and which supplied "a background for reconsideration, not the reason for rejection of that case." (Petition, App. B., pp. 1b and 12b).

In *Babcock & Wilcox* v. *Foster Wheeler Corp.*, —F. Supp.—, 173 U.S.P.Q. 480 (D. N.J. 1972), the district court commented on the fact that under *Natta* "the power of the district courts to order discovery under the Federal Rules of Civil Procedure by the authority of 35 U.S.C. § 24 extends beyond the scope of admissibility at the interference trial" (pp. 481-2). The district court below, in denying petitioners' requested discovery, reasoned that since *Natta* was decided prior to the 1970 amendments to the Federal Rules of Civil Procedure which eliminated the "Good Cause" requirement as a requisite to the grant of discovery under Rule 34, F.R.Civ.P., "this Court is unable to conclude that section 24 would have received a similar [broad] construction absent this safeguard." (Petition, App. D, p. 4d)

The most recent decisions as to the proper scope of ancillary discovery in patent interferences by the First and Third Circuit courts will undoubtedly have a profound influence on the courts of appeal for other circuits and any differences that might presently exist are likely to be resolved in the process of these courts' further review of the matter. Consequently, there does not presently exist a real conflict between the circuits sufficient to warrant review by this Court at this time. We believe that this is a matter which is best left for resolution by

the courts below since they are most closely involved with discovery problems and their impact on the day-to-day operations of the courts. As Mr. Justice Frankfurter said in *Maryland* v. *Baltimore Radio Show, Inc.*, 388 U.S. 912, 918 (1949) with respect to the denial of a petition for a writ of certiorari:

> "It may be desirable to have different aspects of an issue further illumined by the lower courts. Wise adjudication has its own time for ripening."

This case, as stated above, does not exhibit the conditions of "ripeness" which would warrant this Court's granting the petition for a writ of certiorari and, on that ground alone, the petition should be denied.

ARGUMENT

I. There Does Not Exist Any Real Conflict Between The Circuit Courts Over The Construction Of 35 U.S.C. § 24

This Court in exercising its discretion in accordance with Rule 19 of the Supreme Court Rules, which sets forth the considerations governing review on certiorari of decisions by the courts of appeal, has held:

> "Certiorari is granted *only* 'in cases involving principles the settlement of which is of importance to the public as distinguished from that of the parties, and in cases where there is real and embarrassing conflict of opinion and authority between the circuit courts of appeal.' *Layne & Bowles Corp.* v. *Western Well Works,* 261 U.S. 387, 393 . . ." *NLRB* v. *Pittsburgh S.S. Co.,* 340 U.S. 498, 502 (1951). (Emphasis added.)

See, also, *City of New York* v. *Saper,* 336 U.S. 328 (1949).

The conflict petitioners allege to exist between the courts of appeal concerns the Third Circuit's *en banc* decision over-

ruling its prior construction of 35 U.S.C. § 24 in a *dictum* statement by the majority of a three judge panel in *In re Natta, supra.* Respondents fail to discern any *real* conflict between the Circuits, particularly in view of the First Circuit's recent decision in *Sheehan* v. *Doyle et al.,* following in all respects the *en banc Frilette* decision.

Even if one might perceive, although there is in substance none, an appearance of conflict in one or two *prior** cases with the decisions of the First and Third Circuits, that fact alone would not raise this matter to a "conflict" sufficient for this Court to grant a writ of certiorari. The conflict between circuit courts must be real. See Stern and Gressman, *Supreme Court Practice,* (1954 Ed.) where at p. 100 it is noted: "A well-established ground for granting certiorari is the existence of a conflict between the decision as to which review is sought and that rendered by the Supreme Court or some lower court whose judgment is final in the absence of Supreme Court review. This means that there must be a *real conflict* on the same matter of law or fact, *not merely an inconsistency in dicta or in the general principles utilized.*" (Emphasis added.)

Mr. Justice Harlan discussed the factors governing review on certiorari in a speech before the Association of the Bar of the City of New York.** In addressing the "conflict" rule he said:

> "Generally speaking, nothing short of a difference of decision between two Courts of Appeals, or between a Court of Appeals and the Court of Claims, whose judgments are reviewable directly by the Supreme Court, will suffice to satisfy the 'conflict' rule. . . . Moreover, differences between the Court of

* It is significant to note that while these cases were prior to the 3rd Circuits *en banc* reexamination of the questions, they were *after* (and presumably influenced by) the opinion of the 3rd Circuit which it itself now has found to be erroneous.

** Reported at Vol. 13, The Record of the Association of the Bar of the City of New York, p. 541, 552 (1958) "Manning the Dikes".

> Appeals in two or more circuits will not be accepted as a conflict if they can fairly be accounted for on the basis of variations in the factual situations among the cases involved. Finally, even where a true conflict may be said to exist, certiorari will sometimes be denied where it seems likely that the conflict may be resolved as a result of future cases in the Courts of Appeals, or where the impact of the conflict is narrowly confined and is not apt to have continuing future consequences."

It should be noted that all of the early cases referred to in petitioners' brief to support their contention regarding an alleged conflict between the circuits, were decided prior to both the most recent changes in the federal discovery rules (in July, 1970) and the promulgation of rules permitting discovery in the Patent Office (in June, 1971.)* Each of those early cases required a showing of good cause and relevancy; and each decision made particular note of the fact that there were no means for discovery provided under the Patent Office rules. Further, they all involved either the taking of testimony or the subpoenaing and production of documents.

Further, the Third Circuit court, in choosing to bind its "self inflicted wound" by admitting its previous judge-made error, and by clarifying the law in this respect, did not thereby establish grounds sufficient to warrant the granting of a petition for a writ of certiorari because there can never be a conflict between courts of appeal where a particular prior decision has been discredited, distinguished or has lost weight as authority by reason of intervening decisions or statutory and regulatory changes. See Stern and Gressman, *Supreme Court Practice,* (1950 Ed.) pp. 101-102. *Natta* is such a decision.

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* The only exceptions being *Barnes* v. *Duffy,* BNA PTCJ No. 212. at A-3 (D. Mass. 1974) (which decision must now be controlled by *Sheehan*); and *Lomax* v. *Kihara,* 175 U.S.P.Q. 538 (D.C. D.C. 1973) (which cannot be said to be in conflict with the appellate court *Frilette* decision.)

In accordance with those principles, the better and wiser practice would now be to permit the various courts of appeal to consider the question of the true scope of 35 U.S.C. § 24 in light of the Third Circuit's reexamination and the First Circuit's recent opinion concurring in the result of that reexamination. The judicial atmosphere here makes most apposite the wisdom of Justice Frankfurter's observation that wise adjudication has its own time for ripening.

II. The Opinion Of The Court Below Is Manifestly Correct And Warrants A Denial Of Certiorari

The *en banc* majority decision of the Third Circuit in *Frilette* carefully analyzed all of the factors and background, historical and otherwise, which bear upon a determination of the proper scope of discovery under 35 U.S.C. § 24. The First Circuit in *Sheehan*, the first appellate court to rule on the matter since the *Frilette* decision was rendered, has adopted "the arguments and analysis . . . set forth in Judge Seitz's dissent in *In re Natta* and in *Frilette*." We believe, as did the First Circuit, that the *Frilette* decision is manifestly correct and, in accordance with the prior practice of this Court, the petition should be denied.

III. This Case Does Not Involve An Important Question Of Law Which Would Substantially Affect The Rights Of The Public

This Court has consistently held that it will only take for review cases which present important questions that involve significant public rights and not cases which are primarily disputes between private parties. See *Brotherhood of Carpenters* v. *United States*, 330 U.S. 395, 400 (1947); *City of New York* v. *Saper, supra*, at p. 329. See, also Stern, *Denial of Certiorari Despite a Conflict*, 66 Harv. L. Rev. 465, 470-471 (1953). The case

presented here by petitioners surely does not fall within that category.

Petitioners, in reliance on a statement in *Precision Instrument Mfg. Co.* v. *Automotive Maintenance Co.*, 324 U.S. 806 (1945), suggest that the issues presented for this Court's review involve significant issues affecting the public interest. Petitioners strongly suggest that the possibility exists that fraudulently procured patent monopolies may issue unless full pre-trial discovery is permitted during patent interferences. Petitioners' position is incorrect on three grounds:

First, the issue of fraud is ancillary to priority and in any patent interference where a party can demonstrate that the "interests of justice" require discovery on that issue, such discovery can be obtained as provided by the Patent Office rules (37 C.F.R. § 1.287(c)). This fact was recognized by the district court in *Babcock & Wilcox Co.* v. *Foster Wheeler Corp., supra,* in which it was noted (p. 482):

> ". . . Under its new rules, the Board of Patent Interferences is empowered to order any discovery which, theoretically, can be obtained by application to a district court. . . ."

In the event fraud is proven against a party, that party will be denied priority.

Second, a Patent Office interference proceeding does not result in the "issuance of a patent" but is merely an adjunct proceeding to the issuance of a patent wherein the Board of Patent Interferences determines which of the parties is the "first inventor." *i.e.* which one is entitled to an award of priority—not whether it is or is not an invention, is or is not anticipated and is or is not enforceable.

Third, the Board of Patent Interferences' decisions are appealable. The losing party may appeal, pursuant to 35

U.S.C. § 146, either to the Court of Customs and Patent Appeals or to a federal district court. By proceeding in the district court a party will obtain a *de novo* hearing with full pretrial discovery available to him under the Federal Rules of Civil Procedure thus presenting him with a second opportunity to explore in depth any possible fraud.

Respondents' Analysis Of The Questions Presented By Petitioners

First Question

While we do not deny that 35 U.S.C. § 24 provides jurisdiction for the federal courts to aid the parties in interferences in the Patent office, it is far from clear, as stated by petitioners, that every court of appeals prior to the Third Circuit has held it to mean that such parties are entitled to obtain the full range of pretrial discovery contemplated by the Federal Rules of Civil Procedure. In fact, the only case we are aware of which has so held has been the Third Circuit *Natta* decision which was a *dictum* holding. No other court has ever gone as far as *Natta* in its construction of 35 U.S.C. § 24. The other courts which have considered the question have done so in the context of a request for the production of documents under Rule 34, F.R.Civ.P., or in connection with a subpoena duces tecum under Rule 45, F.R.Civ.P. Petitioners, however, would have this Court believe that all courts have directed the full range of federal discovery be made available in ancillary proceedings in patent interferences. This is totally incorrect.

Second Question

Part (a): This question is entirely premature. The position which the courts of appeal will take with respect to the scope of discovery permissible under 35 U.S.C. § 24 is, as we have discussed herein in our Preliminary Statement, presently fluid and subject to change as these courts

consider the matter in light of the most recent First and Third Circuit decisions. Moreover, these courts must now consider the question in light of the new Patent Office discovery rules and the elimination of the "good cause" requirement by the 1970 amendments to the Federal Rules of Civil Procedure. It is, therefore, quite likely that the courts of appeal will resolve any possibly appearing differences between the circuits as they consider this matter in the future.

The example presented by petitioners involving a party who may be subject to discovery in the Second Circuit but is himself barred from conducting discovery in the Third Circuit is no more than speculation. We are not aware that the Court of Appeals for the Second Circuit has as yet passed on this question. The most recent Second Circuit opinion on this matter of which we are aware is *Babcock & Wilcox Co.* v. *Combustion Engineering, Inc.*, 314 F.Supp. 235 (D. Conn. 1968), *aff'd per curiam*, without opinion, 430 F.2d 1177 (2nd Cir. 1968). We find it significant to note that the opinion of the district court in the *Combustion Engineering* case preceded the 1970 amendments to the Federal Rules of Civil Procedure and the promulgation of the Patent office discovery rules and specifically held that in an ancillary proceeding under 35 U.S.C. § 24 "an automatic and indiscriminate inspection" is not authorized and that "the requirements of good cause, relevance, reasonable designation of documents and the principles of privilege" still apply. (p. 237). There is no reason to believe, therefore, that the Second Circuit will not follow the *Frilette* decision as the First Circuit has in *Sheehan*. Further, the decision of the First Circuit in *Sheehan* plainly reflects that any disparity between the circuits with respect to the latitude which they will allow in ancillary discovery proceedings will be no greater than the latitude to be found among the circuits in any other discovery proceeding.

Part (b): This question has no basis in fact because the Patent Office can allow the interference parties as much discovery under its own discovery rules as it deems necessary for a just resolution of all the relevant issues before it. The parties themselves have the additional opportunity following a resolution of the interference by the Patent Office to seek the full range of discovery available under the Federal Rules in an action in the district court under 35 U.S.C. § 146.

Third and Fourth Questions

The third and fourth questions are essentially the same and will be treated together. Both of these questions deal with the propriety of an appellate court's overruling its own prior decisions, thus, purportedly violating the principles of *stare decisis,* and in the process encroaching upon Congress' areas of responsibility. There is no basis whatsoever, in fact or in law, for these questions and they are entirely inappropriate for consideration by this court.

Every appellate court not only has the inherent power, but the duty, to correct judge-made error when it recognizes it as such. Certainly, an appellate court sitting *en banc* can exercise that power with respect to a prior incorrect decision of a panel of that same court. The Third Circuit has done so, "biting the bullet" as they phrase it in the process.

Further, with respect to petitioners' contention that the Third Circuit in overruling its own prior decision somehow encroached upon the prerogatives of Congress, it is entirely unclear why Congress has declined to act with respect to the passage of proposed patent legislation. Nor can it be inferred that such inaction was *intended* to let stand specific prior decisions of the federal courts with respect to the scope of discovery under 35 U.S.C. § 24.

A. Ancillary Discovery Under 35 U.S.C. § 24 Is Not Synonymous With Ancillary Discovery Under Rules 45 and 37 F.R.Civ.P. As Petitioners Suggest

Ancillary proceedings initiated by parties in Patent Office interferences are not and can not be placed on the same footing with ancillary proceedings instituted in connection with a civil suit pending in a sister federal court. Although it is true that occasions do arise in civil suits where ancillary discovery must be conducted before an auxiliary district court, in such instances each such court acts under the same rules governing discovery. However, this is not the case in an ancillary proceeding instituted by an interference party under 35 U.S.C. § 24 in which an administrative agency is involved having rules of evidence and discovery which are different from those of the federal courts.

B. Under Petitioners' Construction of 35 U.S.C. § 24 Ancillary Discovery Would More Likely Interfere With Proceedings Before The Patent Office Rather Than Aid It

Congress has authorized the Commissioner of Patents and Trademarks, under 35 U.S.C. §§ 6 and 23 to establish its own rules and regulations for the conduct of proceedings in the Patent Office. Certainly, this administrative agency should be permitted to follow its duly promulgated Rule 287 relating to discovery in interference proceeding without unnecessary disruption.

In the present case, for example, some of the discovery sought by the petitioners herein was denied on the grounds that it was clearly premature. Judge Wright, in his district court opinion below noted that:

> "In addition, the Court agrees that under Rule 287(a) and (c), Frilette's discovery directed to Kimberlin's case in chief is premature. Until the lists and documents are served as required by Rule

287(a), the Patent Office and the Court has no way of ascertaining the necessity for additional discovery in these areas."

Conclusion

The petition for a writ of certiorari should be denied.

Respectfully submitted,

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Addendum

Addendum A—Opinion, Sheehan v. Doyle.

United States Court of Appeals

FOR THE FIRST CIRCUIT

No. 74—1318

JOHN C. SHEEHAN,

Plaintiff-Appellee,

v.

FRANK P. DOYLE, et al.,

Defendants-Appellants.

APPEAL FROM THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF MASSACHUSETTS

Before COFFIN, *Chief Judge,*

MCENTEE and CAMPBELL, *Circuit Judges.*

ALBERT L. JACOBS, JR., with whom JACOBS & JACOBS, P.C., OWEN F. CLARKE, JR., and SULLIVAN & WORCESTER were on brief, for appellants.

THOMAS E. SPATH, with whom N. DALE SAYRE, MCLEAN, BOUSTEAD & SAYRE, ROBERT J. HORN, JR., KENWAY and JENNEY were on brief, for appellee.

March 31, 1975

CAMPBELL, *Circuit Judge.* This appeal concerns the authority of the district court for the District of Massa-

chusetts to order discovery in aid of a patent interference proceeding being conducted before the Board of Patent Interferences in Arlington, Virginia.

Doyle (a name used for three nonresident aliens) is engaged in an interference in the United States Patent Office against Sheehan, a Massachusetts resident. *See* 35 U.S.C. § 135. At issue is whether Doyle or Sheehan is the first inventor of processes for the production of penicillin. Doyle has applied for a United States patent, Sheehan already having been granted one covering the same subject matter.

One might suppose that the scope of discovery for use in an interference[1] would be determined by the Patent Office

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[1] An interference—an administrative proceeding in the Patent Office—follows a distinct format. After parties have preliminarily stated their positions, 37 C.F.R. §§ 1.215-1.223, and the period for filing motions has been set, *id.* §§ 1.231-1.244, the Board of Patent Interferences establishes a schedule for the parties' presentation of evidence by means of deposition, affidavit, or stipulation, *id.* § 1.251. The patent applicant who was later in time (the "junior party") is required to produce his evidence first and carries the burden of disproving the order of application. *Id.* § 1.257. Testimony is to be taken before an officer authorized to administer oaths, *id.* § 1.274, and must always be filed in the Patent Office, *id.* § 1.278. If objections are made to the witness or evidence, the evidence shall be taken away and the objection noted by the officer. *Id.* § 1.275 (d). In determining whether to receive or exclude evidence, the Patent Office will "strictly" apply "the established rules of evidence". *Id.* § 1.286.

The discovery provision for interferences, Rule 287, only requires a party to furnish his opponent with lists of things, names of witnesses, and copies of documents "upon which the party intends to rely". *Id.* § 1.287(a). The senior party—Sheehan in this case—need not provide such materials to the junior party until the junior party has completed taking his testimony. There is no discovery of right of matters which might build an affirmative case for the discovering party or which might undercut the opponent's case-in-chief. However, the Board may grant further discovery privileges, within the scope of the Federal Rules of Civil Procedure, at any time during the proceedings "upon a showing that the interest of justice so requires". *Id.* §1.287(c).

or at least coordinated with the administrative proceeding within its jurisdiction; and Congress has in fact conferred statutory authority upon the Commissioner of Patents to "establish rules for taking affidavits and depositions required in cases in the Patent Office", 35 U.S.C. § 23, and the Commissioner has adopted certain rules, *see* note 1 *supra.* But in section 24, Congress has also conferred certain powers upon district courts. Historically section 24 developed to provide for the issuance of subpoenas to compel testimony and evidence required in Patent Office interferences; but a sentence in section 24 inserted by Congress in 1952 has been construed by a number of courts also to allow parties to an interference to obtain at any time broad-based discovery in district courts in separate, self-contained proceedings.[2] *See infra.* Such dis-

[2] Section 24, 35 U.S.C. § 24, provides in its entirety, "Subpoenas, witnesses".

"The clerk of any United States court for the district wherein testimony is to be taken for use in any contested case in the Patent Office, shall, upon the application of any party thereto, issue a subpoena for any witness residing or being within such district, commanding him to appear and testify before an officer in such district authorized to take depositions and affidavits, at the time and place stated in the subpoena. *The provisions of the Federal Rules of Civil Procedure relating to the attendance of witnesses and to the production of documents and things shall apply to contested cases in the Patent Office.*

Every witness subpoenaed and in attendance shall be allowed the fees and traveling expenses allowed to witnesses attending the United States district courts.

A judge of a court whose clerk issued a subpoena may enforce obedience to the process or punish disobedience as in other like cases, on proof that a witness, served with such subpoena, neglected or refused to appear or to testify. No witness shall be deemed guilty of contempt for disobeying such subpoena unless his fees and traveling expenses in going to, and returning from, and one day's attendance at the place of examination, are paid or tendered him at the time of the service of the subpoena; nor for refusing to disclose any secret matter except upon appropriate order of the court which issued the subpoena." [Emphasis supplied.]

covery goes on outside the ambit of the Patent Office proceeding and beyond the scope permitted without special approval under its rules.

Citing section 24 and bypassing the Patent Office's procedures, Doyle brought an independent action in the district court for the District of Massachusetts to obtain discovery from Sheehan under the Federal Rules of Civil Procedure. The court issued a subpoena duces tecum against Sheehan and, after hearing Sheehan's objections, refused to quash the subpoena and directed Sheehan to produce the requested records and appear to be deposed. In addition to the discovery of Sheehan, Doyle's counsel was able to obtain from the court subpoenae duces tecum against two organizations, also located in Massachusetts, having an interest in the Sheehan patent. Doyle's goal in these ancillary proceedings has been to discover evidence that an abandoned Sheehan patent application in 1957, while disclosing some processes, did not disclose enough to enable Sheehan to claim first invention to the processes for which Sheehan obtained the disputed patent in 1959 and as to which Doyle has a claim to invention dating from late 1957.

While Doyle's discovery was in progress, Sheehan, also invoking section 24, filed a request under Rule 34, Fed. R. Civ. P.,[3] for the production of documents from Doyle and

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[3] Rule 34(a), Fed. R. Civ. P., provides in pertinent part:

"Any party may serve on any other party a request (1) to produce and permit the party making the request, or someone acting on his behalf, to inspect and copy, any designated documents . . . or to inspect and copy, test, or sample any tangible things which constitute or contain matters within the scope of Rule 26(b) and which are in the possession, custody or control of the party upon whom the request is served. . . ."

Rule 26(b) generally allows a party to obtain discovery of "any matter, not privileged, which is relevant to the subject matter involved in the pending action". Rule 26(b) further provides, "It is not ground for objection that the information sought will be inadmissible at the trial if the information sought appears reasonably calculated to lead to the discovery of admissible evidence."

his assignee, Beecham Research Laboratories, Inc. (BRL), a British corporation and the real party in interest. Sheehan sought documents of tests and evaluations, made by BRL and to be introduced in interference testimony, concerning the sufficiency of the Sheehan disclosure in its abandoned 1957 application. After considering arguments for and against compelling discovery from the nonresident aliens, the district court ordered Doyle and BRL to produce those documents sought that were not privileged. From this order Doyle now appeals. Doyle objects to the order on grounds of lack of personal jurisdiction and of proper venue, as he is a nonresident alien with no ties to Massachusetts. We do not reach these arguments because we hold that section 24 does not confer jurisdiction upon the district court, acting on its own, to grant Rule 34 discovery directly, whether against a nonresident alien or a resident citizen.

A threshold question is the appealability of the district court's discovery order. A discovery order is not usually "final"—and hence not immediately appealable—as the litigation in conjunction with which the discovery is sought is still pending in the district court. 28 U.S.C. § 1291. Discovery here, however, is ancillary to the interference in Arlington, Virginia, at the Patent Office, and nothing else was pending at the time in the Massachusetts court. The instant order, therefore, concluded—at least for the moment—the business of the district court. Thus, while the usual policy against piecemeal appellate review dictates otherwise, we must regard the order as final and appealable. *See Natta* v. *Hogan,* 392 F.2d 686, 689 (10th Cir. 1968). (Indeed, Doyle has sought more discovery since this appeal was heard, and the district court's next ruling would likewise be final and appealable.)

The next issue is whether section 24 authorizes the Rule 34 discovery Sheehan seeks. When this appeal was argued,

it was accepted among the circuits that had passed on the matter that section 24 authorized discovery beyond that permitted by the Patent Office, and in particular the production of documents from a party by means of a Rule 34 motion. *See, e.g., Babcock & Wilcox Co.* v. *Combustion Engineering, Inc.*, 430 F.2d 1177 (2d Cir. 1968), *aff'g mem.* 314 F. Supp. 235 (D. Conn. 1968); *In re Natta*, 388 F.2d 215 (3d Cir. 1968); *Natta* v. *Hogan*, 392 F.2d 686 (10th Cir. 1968); *Natta* v. *Zletz*, 379 F.2d 615 (7th Cir. 1967); *Gladrow* v. *Weisz*, 354 F.2d 464 (5th Cir. 1965). However, subsequent to argument the Third Circuit ruled, *en banc*, that section 24 merely confers upon district courts jurisdiction to issue, in aid of the interference, subpoenas as provided in Fed. R. Civ. P. 45(a), (b), (c), (d) (2) & (3), and (f).[4] *Frilette* v. *Kimberlin*, 508 F.2d 205 (3d Cir. 1975) (*en banc*). The practical effect of this ruling is to permit the compelling of testimony and evidence by the district court which is sought at the proper stage of the Patent Office proceeding, and also to allow the issuance of subpoenas in aid of discovery as authorized by the Patent Office but not otherwise. *See* note 1 *supra.*

The Third Circuit's decision was a reversal of its position in *In re Natta, supra*, and a vindication of Judge (now Chief Judge) Seitz's dissenting opinion in the earlier case. 388 F.2d at 221-23. Unlike that circuit, this circuit has never previously passed on the matters.

We believe that the broad reading which courts have given section 24 over recent years goes beyond what Congress could reasonably have had in mind. The unfortunate effect is to generate self-contained discovery proceedings out of joint with the administrative proceeding to which,

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[4] Rule 45(d)(1), Fed. R. Civ. P., authorizes the compelling of discovery within the scope of Rule 26(b), *see* note 3 *supra*, and therefore is inconsistent with the existing Patent Office discovery rules for interferences.

ostensibly, they are linked. The arguments and analysis, which we adopt and need not repeat, are well set forth in Judge Seitz's dissent in *In re Natta* and in *Frilette.* We agree that section 24 is simply a provision giving teeth, through the courts' subpoena powers, to authority conferred upon the Commissioner of Patents. Such a reading is consistent with the fact that section 23 confers general authority upon the Commissioner of Patents to promulgate rules with respect to depositions and affidavits; with the tenor of section 24; and with the absence of evidence that any sweeping substantive change was intended in the 1952 redraft of section 24 which introduced the sentence in question. If Congress had intended to erect a free wheeling discovery vehicle totally outside the control of the Patent Office, one would have expected some inkling in the legislative history.

Our decision does not have the effect of precluding broad-based Federal Rules discovery in patent interferences to the extent permitted by the Commissioner, whose rules presently allow such discovery "if justice so requires". *See* note 1 *supra.* Judicial subpoenas that may appropriately aid in any such authorized discovery, as well as to obtain testimony and evidence for use in the proceeding in progress, remain available. Our decision merely precludes use of federal courts as alternative forums of first resort rather than as forums acting strictly in aid of the primary proceeding.

Sheehan contends that the effect of a decision following the Third Circuit would be to insulate nonresident aliens from ancillary discovery, since a subpoena cannot be served upon them. But ancillary judicial discovery is unnecessary as to parties, since the Commissioner has the power to compel testimony or evidence by the threat of dismissing the application. *See* 37 C.F.R. § 1.259. The Patent Office has no power to compel the attendance of nonparty witnesses or to enforce the production of evidence from them, and this

need was apparently the main reason that Congress conferred ancillary jurisdiction upon federal courts, with their subpoena power and threat of contempt.

It may nevertheless seem unfair in this case to deny Sheehan discovery against Doyle after Doyle has had the advantage of extensive discovery from Sheehan under section 24.[8] However, we are not inclined to impose our notions of fairness on the agency which has been delegated primary authority to control the interference. Moreover, evidence not taken in accordance with the Patent Office rules will not be considered in determining the interference, 37 C.F.R. § 1.271, and in any event a party aggrieved may litigate through *de novo* proceedings in the district court, 35 U.S.C. § 135.

Reversed. No costs.

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[8] Even during the junior party's testimony period, the junior party may not plunge into the senior party's direct case by issuing subpoenas to the senior party. Such a course would be contrary to the set order of taking testimony.

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IN THE

Supreme Court of the United States

OCTOBER TERM, 1974

No. 74-1156

VINCENT J. FRILETTE, ET AL., *Petitioners*

v.

CHARLES N. KIMBERLIN, JR., ET AL., *Respondents*

PETITIONERS' REPLY

Respondents' principal basis for opposing the petition for certiorari is that the Court of Appeals for the First Circuit has now followed the decision of the Third Circuit that petitioners seek to have reviewed. The decision of the First Circuit was an unexpected development following the filing of the petition here. But the reasons for granting the writ described in the

petition continue unweakened. They are actually strengthened because some of the key assumptions of the First Circuit's decision—as of the Third's—are clearly erroneous.

I. PETITIONER'S REASONS FOR GRANTING THE WRIT.

1. *This is a case of first impression and wide application.* Respondents' opposition and the decision of the First Circuit have nothing to say with respect to this reason for initial Supreme Court consideration of an important aspect of patent law in particular and administrative proceedings in general. At issue is the extent to which the courts can decline to provide ancillary support to executive or administrative agencies conducting quasi-judicial proceedings. Unquestionably the courts are overworked. But Congress has seen fit to leave to the courts the role of assisting parties engaged in adjudicative proceedings to discover evidence useful in those proceedings. The Congressional choice in the case of patent interferences, quite logically based on the experience of the courts in dealing with such issues, was recognized and followed by every federal court to which the issue was presented until the courts below in this case decided that Congress could not have meant to impose this burden on the judiciary. But reading the opinion below makes it difficult to credit the Third Circuit's statement that this burden only provided "background . . . not the reason" [Pet. p. 12b, n.14a] for its decision adopting Judge Seitz' version of the legislative history of 35 U.S.C. § 24 as set forth in his dissent in *Natta*.[1] The First Circuit seems to have engaged in no independent analysis of the prob-

[1] In re *Natta*, 388 F.2d 215, 221 (3d Cir. 1968).

lem; it simply followed the Third in finding the burden of aiding parties in Patent and Trademark Office discovery to be "beyond what Congress could reasonably have had in mind." [Resp. p. A6] As is discussed at page 11, *infra,* Congress did not consider the "burden," as such, but in any event the courts have not previously seen fit to shirk it.

Petitioners have asserted that a delineation of the proper role of the courts in enabling contestants for government grants to seek relevant facts merits and urgently needs this Court's consideration now. This Court can best fashion the appropriate rules for the relationship. Unless it acts, the Court may be inviting years of further uncertainty, as successive parties litigate this issue in different circuits—a process costly to the adversaries, the judicial system and, ultimately, the public.

2. *The decision of the Court of Appeals conflicts with the decisions of other Courts of Appeals, creates different discovery standards for parties in a common proceeding, and is contrary to current views of the need for maximum disclosure in all adjudications, particularly patent cases.*

Respondents deny the existence of a "real" conflict between the Circuit Courts of Appeals. They base that argument on the suggestion that the broad construction given 35 U.S.C. § 24 by the Third Circuit in its decision in *In re Natta* in 1968 was only dicta, unnecessary to that Court's holding. [Resp. p. 6] First, petitioners do not understand the relevance of alleged dicta/holding distinctions between two decisions by the *same* Circuit Court of Appeals to a discussion of an alleged conflict of decisions between *different* Courts

of Appeals. The majority of judges below did not deny or refute the statement of dissenting Judge Adams that *Natta*

> "conformed to prior interpretations by the Courts of Appeals for the Fifth and Seventh Circuits and by the District Courts for . . . Michigan and . . . Oklahoma. Subsequent to our decision in Natta, the same interpretation has been adopted by the Courts of Appeals for the Tenth and Second Circuits and by the District Courts for the District of Columbia and . . . Massachusetts. . . . Indeed, no court of appeals has adopted a narrower reading of section 24 than that set forth in Natta." [Pet. p. 25b-26b]

No Judge who heard the case below seemed to doubt that by "biting the bullet," the Court of Appeals was construing the statute differently than it was construed both before and after its own decision in *Natta* by every other federal court. That the First Circuit has now aligned itself with the Third on this issue does not remove the conflict; it adds another player to one side. By no stretch of legalistic legerdemain can the reality of the conflict be denied. On the contrary, it increases the dimension of the conflict and dispels the notion that the decision below can be ignored as an aberrational rule confined to a single circuit.

Petitioners do not deny that the appellate decisions conflicting with the holding below predate the 1971 Patent Office rules for limited discovery in interferences. [Resp. p. 7] But that does not eliminate the reality of the conflict. First, the paucity of later decisions can reasonably be attributed to the view that as every court that heard the issue decided it consistently with *Natta,* the patent bar considered the issue settled.

Second, petitioners contend, as did the dissenters below, that no administrative rule, turned off yesterday, turned on today, perhaps turned off tomorrow, can affect the obligations of the federal courts to exercise a jurisdiction Congress has conferred.

Finally, respondents do not address petitioners' point that the decision below runs counter to the trend of the law that encourages the fullest disclosure of relevant facts in all adjudications, particularly those involving patents. Interestingly, the same District Judge who decided this case adversely to the petitioners has just released a lengthy opinion emphasizing in the strongest terms the need for the fullest and most candid disclosure of all facts to the Patent and Trademark Office that might influence that Office in its decisions on whether or not to grant a patent. See *In re Multidistrict Litigation Involving Frost Patent,* BNA, PTCJ No. 225, at A-8 (D. Del. Apr. 11, 1975).

Respondents say this case is unimportant because it involves only a dispute between two private parties seeking a patent. [Resp. p. 8] Such a view is directly contrary to the view of this Court and the entire federal judiciary that the grant of every patent is a matter of public interest. It would seem to make much more sense to facilitate the fullest investigation of the grounds on which patents issue initially than to await the facts in later litigations involving patents already issued.

Respondents also suggest that since the Board of Interferences does not "issue" a patent, its proceedings need not be conducted with the regard to procedural completeness and fairness that might apply to other Patent and Trademark Office actions. [Resp.

p. 9] Petitioners are sure this Court cannot accept such a distinction. Obviously priority can be the key issue in a patent prosecution—as it may be between the parties here. That the Patent Act establishes a separate Board of Interferences to consider such issues, on a level of dignity and finality with the Board of Patent Appeals, only serves to emphasize Congress' recognition of the criticality of the decision on priority.

3. *The decision below is based on erroneous assumptions of law and fact.* The petition cites five different and significant reasons why the Court below erred in its analysis of the issues. Respondents' opposition says that the decision below "is manifestly correct." [Resp. p. 8] It is not manifest to petitioners why the opinion is correct or how respondents' mere statement can make it so.

Petitioners first indicated that the ancillary discovery procedures contemplated by 35 U.S.C. § 24 were comparable to the routine ancillary proceedings conducted by the federal courts in aid of litigation pending in sister courts. Respondents say such proceedings cannot be compared to proceedings to aid Patent and Trademark Office discovery since the administrative agency has rules of evidence and discovery that differ from those of the courts. [Resp. p. 13] But this begs the issue. The statute being construed says that

> "The provisions of the Federal Rules of Civil Procedure . . . *shall apply* to contested cases in the Patent Office." [Emphasis added.]

Even the Court below recognized that at least some provisions of the Rules "shall apply." Applied by whom and how? By the courts and in the manner in

which the courts apply the Rules, of course. While this exercise of jurisdiction is in aid of an administrative agency the court applies judicial standards. And this is perfectly acceptable to the agency. The Patent Commissioner has expressly published a notice to dispel any doubt about the acceptance by his Office of deposition evidence so obtained. Notice of the Commissioner of May 30, 1972, 898 O.G. 1500.[2] The Commissioner may adopt his own discovery rules—as he has done in trademark cases and, to a limited extent for patent interferences—and he may make independent determinations of the admissibility of evidence so discovered. But this does not derogate from the express statutory authority given to, and the obligation imposed on, the courts to aid contestants in Patent and Trademark Office cases by "applying" the discovery aspects of the Federal Rules of Civil Procedure.

Petitioners argued that the Court below was wholly in error in its belief that discovery was unknown in administrative agency proceedings. [Pet. p. 20] Respondents apparently concede as much, since they do not dispute the argument. Petitioners went on to say that court assisted discovery need not create insuperable frictions between court and agency. Comparable problems have been solved in other contexts through concepts of "primary jurisdiction." [Pet. p. 22] Re-

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[2] The notice reads in pertinent part:

"A discovery proceeding under the control of a U.S. District Court, ancillary to an interference proceeding, is . . . an 'action' within the meaning of Rule 283. [37 CFR § 1.283] Accordingly, 'pretrial depositions' taken in a discovery proceeding in accordance with the Federal Rules of Civil Procedure and under court control may be used in the interference as to which the discovery proceeding is ancillary. . . ."

spondents say only that the administrative agency should be allowed to adopt its own procedures "without unnecessary disruption" and echo the District Court's view that some of the discovery sought by petitioners was premature because directed to respondents' case-in-chief. [Resp. p. 13] Let it be quickly noted that petitioners' discovery was *not* directed to respondents' case-in-chief. But the real point is that time and again the courts have been compelled to bring the Patent and Trademark Office "kicking and screaming" into the Twentieth Century. Absent court applications of 35 U.S.C. § 24 in patent cases, that Office would not have been induced to adopt any discovery procedures at all. Those it has now adopted are a limp substitute for the Federal Rules. As the First Circuit's opinion notes, they do not allow discovery into matters which might build an affirmative case for the discovering party or which undercut the opponent's case-in-chief. [Resp. p. A2, n. 1] Unless and until the Commissioner adopts rules that might obviate the need for resort to the courts, the courts must—and readily can—apply their traditional practices in granting orders compelling discovery.

Petitioners pointed out that the Court below erred in suggesting that post-decision review in the District Court, under 35 U.S.C. § 146, can cure defects in predecision discovery. Respondents repeat this erroneous suggestion as does the First Circuit's opinion. [Resp. pp. 9-10, 12, A8 [printed as 35 U.S.C. § 135, but should be § 146].] Section 146 review is "narrow."[3] The plaintiff must bear a "heavy burden" to overcome the presumption of correctness in the Patent and Trade-

[3] *Rex Chainbelt, Inc.* v. *Borg-Warner Corp.*, 477 F.2d 481, 484 (7th Cir. 1973).

mark Office's decision.[4] And new issues cannot be raised in the proceeding,[5] perhaps even if they are first learned through discovery now given the full scope of the Federal Rules. It is even *more* time-consuming and wasteful of judicial resources and a cause of court-agency friction to require the agency to rule in the dark and then to compel it to reconsider its rulings based on later-developed, court-supervised discovery.

Petitioners' fifth argument repeated Judge Adams' view that the action of the Court below in overruling its earlier statutory interpretation does violence to the doctrine of *stare decisis.* [Pet. p. 26] Respondents suggest that this question is "entirely inappropriate for consideration by this court." [Resp. p. 12] Petitioners see no basis for such an assertion. The dissenting Judges below thought it an important point. Petitioners have found no decisions by this Court discussing the issue. Petitioners believe it *is* "appropriate."

II. THE DECISION OF THE COURT OF APPEALS FOR THE FIRST CIRCUIT IS BASED ON INACCURATE ASSUMPTIONS.

Since respondents have relied so heavily on the First Circuit's recent decision, petitioners feel it appropriate to discuss the following points in addition to those

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[4] *See, e.g., Ransburg Electro-Coating Corp.* v. *Sedlacsik,* 290 F. Supp. 972 (D. N.J. 1967), *aff'd,* 397 F.2d 804 (3d Cir. 1968); *Tidewater Patent Devel. Co.* v. *Gilette Co.,* 273 F.2d 936 (4th Cir. 1960); *Kirschke* v. *Lamar,* 426 F.2d 870 (8th Cir. 1970). ("The remedy provided by [§ 146] is not, strictly speaking, a full trial *de novo;* rather allowance of evidence in addition to the Patent Office record must be tempered and circumscribed to some degree to effectuate the policy favoring full disclosure to administrative tribunals." 426 F.2d at 874.)

[5] *Cf. General Motors Corp.* v. *R. E. Dietz Co.,* 420 F.2d 1303 (D.C. Cir. 1969).

discussed above on which the Court placed considerable reliance but which are unsupported by the law or facts:

1. *The Court "adopted" Judge Seitz' dissent in Natta.* [Resp. p. A7] Judge Seitz would have limited 35 U.S.C. § 24 solely to evidentiary, as distinguished from discovery, subpoenas—the pre-existing practice in interferences in which no discovery of ultimately inadmissible evidence was permitted. However, even the Patent and Trademark Office has now adopted a discovery rule of its own. 37 CFR § 1.287. And the Commissioner has issued a Notice that he will permit the filing of court-obtained discovery depositions. See p. , *supra.* The dissent of Judge Seitz is of a different time, apparently written without knowledge of the most significant aspects of the legislative history of 35 U.S.C. § 24 discussed by Judge Van Dusen in his dissent in this case. [Pet. pp. 13b-16b] It cannot provide the proper rule for decision today.

2. *The Court says it "merely precludes use of federal courts as . . . forums of first resort."* [Resp. p. A7] Whatever the facts in the case before the First Circuit, petitioners in this case *did* attempt to obtain a discovery order from the Board of Patent Interferences. Further, as the Court acknowledges, the Patent and Trademark Office discovery rules are limited in scope and time and, thus, cannot be an equivalent to the Federal Rules. Thus, resort to the courts is not "merely" a matter of choice; it is a necessity since the Patent Office will not aid in certain types of discovery efforts.

3. *The Court says "ancillary judicial discovery is unnecessary as to parties," but to assure discovery*

from nonparty witnesses "was apparently the main reason that Congress conferred ancillary jurisdiction upon federal courts."

The history of 35 U.S.C. § 24 is *not* based on concern about evidence from *non-parties.* The predecessors of this section were in R.S. 4906, first enacted in 1870,[6] and amended in 1922.[7] In the debates on the 1922 amendments, adding the power to issue subpoenas *duces tecum* to the pre-existing power to issue subpoenas *ad testificandum,* the floor leader clearly indicated that the entire provision was intended to assure the production by *parties* of evidence connected with the interference inquiry. See Statement of Congressman Blanton, 62 Cong. Rec. 1083, 67th Cong., 2nd Sess. (Jan. 11, 1922). Nowhere in the legislative history is there any indication that this provision was intended to remedy a perceived inability to reach non-parties. It has always been seen as an aid to compel production from parties. Our present problem is the substantive scope of the statute and not its subjects.

The Commissioner's power to dismiss the application of a party failing to comply with discovery does not make the use of the Federal Rules in the courts "unnecessary." Dismissal is so harsh a remedy that it may not be invoked. The procedure under the Rules permits the necessary flexibility.

III. CONCLUSION

Petitioners believe this is an important case of first impression. The recent decision by the First Circuit does not reduce the need for review; on the contrary,

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[6] Act of July 8, 1970, c. 230, §§ 44, 45, 16 Stat. 204.

[7] Act of Feb. 18, 1922, c. 58, § 7, 42 Stat. 389, 391-2.

it increases the confusion and conflict in the law. Petitioners respectfully request this Court to step in now and set the matter right.

Respectfully submitted,

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